R.7 126-91

G. R. S. IX-5]

Previous references. 1897-98 ~~1901-02~~ ~~191~~ .

(Banking)

File No. 28.

Serial Nos. 5-16

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 5-16.

M. ~~Part~~ B for

SUBJECT.

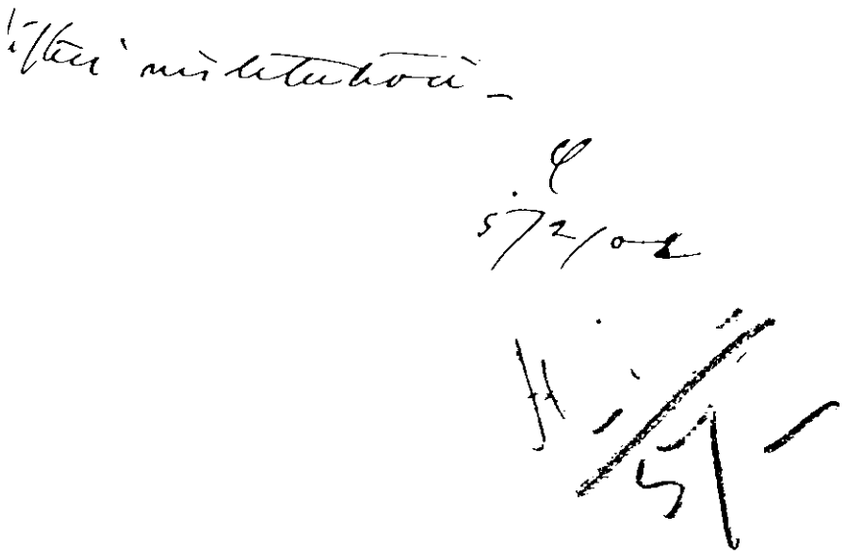
The opening of an Agricultural Bank, at Malebennur. Harihar Sub Taluk. (Inspection Reports etc)

Endorsed

W D 68—GPB—60,000—24-7-16

2)

of the performance of improve-
-ments if any introduced
since the date of the
Inspection last made
-tion made so far
back as the 18th of Feb-
-uary /07 and of
what treatment in
the present condition
the Bank deserves &
should be accorded.
That related reports
made to the Inspected
and a [redacted]
report as [redacted] a Second
inspection by the Inspecting
and of the Dy Comm's
opinion thereon are
awaited and should be
accelerated — Also
hoped that the Dy Comm
will give the affairs
of the Bank his per-
-sonal attention. If
not impossible may he
it - convenient with the
Inspector to be
be able from per
-sonal observation
to advise Govt as
to the action to be
taken in the matter
of the further continuance or
otherwise of Govt help



PP2

Note

Letter No 315-S/1/02 from the Inspector of Agl Banks in Mysore

In Govt order No 15057/6 dated 12th March 1902 it was observed that the ~~irregularity of~~ direct correspondence between the Inspector Genl of Police and two non-commissioned officers of the Bangalore Rifle Volunteers, was a breach of the Standing orders and irregular.

In the above letter, the Inspector of Agrl Banks states that he had direct correspondence with the Supdt of the Railway Police in connection with the loss of certain Govt records while in transit

to Harcher, as the matter amounted to merely lodging a complaint for investigation and as early action was necessary.

A draft recording the letter is submitted for appl or other orders in the correspondence

7/4/02

7/4/02

As the correspondence was merely for the purpose of moving the Supt of Police C of A Station to hold an investigation into the story the record the letter may be recorded Submitted for Secy

7/4/02 —

Subject to Secty 8/4/02

Please see however serial No 73 in the printed Proceedings. Direct communication with the Supt of Police C of A Station seems to be allowed only to Police officers to the limited extent specified in the letter. So an injunction to avoid such correspondence added in future may be ~~added~~

8/4/02

Draft Letter
P.P.3

Read: —

Letter No 315 dated 1st April 1902, from the Inspector General of Agricultural Banks, submitting for the information of Govt copies of certain correspondence which passed between him and Mr Wilkieson Supdt of Railway Police, G. & M. Station, Bangalore, about the loss of certain records while in transit to Kolar, in the custody of the Duffedar of his office, and stating that he addressed the Supdt of Railway Police direct as the matter demanded & merely lodging a complaint for investigation by the officer having jurisdiction and as early

The inquiry about loss of records may be made in the Rev Dept.
Direct Corresp to Govt an essential Rule. Read let me know a short docket will do
H
23/4

Rev 23/4/02
ZH
Full
H 7 : 1 : 1
Dft for 23/4

early action was
necessary.

Order thereon :- -

Recorded.
with the observation that the Inspector A.B should not have held direct correspondence
2. The Inspector is
requested to submit
a further report as
regards the recovery
or otherwise of the
book records said
to have been lost.

15/4/02

Secretary
8/4/02

2.

The Inspector of
Agricultural Banks

1004

OFFICE OF THE DEWAN OF MYSORE

REVENUE AND GENERAL, DEPARTMENTS.

Short Office Note.

One form may be used for more than one letter of the same file as long as there is space. The Office Note should be in black ink. Write only on side of this form.

*No. and date of letter, from whom, catch words to denote nature of Subject should be stated, in red ink.

*Subject Loss of papers connected with the Kolar Agricultural Bank.

No 77 of 20/8/02 from the Inspector of Regd Banks.

Note A criminal complaint (No 147 of 02) was instituted in the 1st Class Magistrate's Court at Bangalore against the Secretary and Directors of the Kolar Agricultural Bank for criminal Breach of Trust & Misappropriation in that case the Magistrate having issued a summons to the Inspector of Regd. Banks to cause the production before the Court on the 14th March 1902 of certain papers required by the Accused persons, the papers connected with the Bank were sent in a sealed cover in the custody of the Peshkar of this office for production before the Court on the said date.

The Inspector of Regd. Banks reported that the sealed cover with the papers therein were lost in transit through the carelessness of the Peshkar.

Govt in their order No 411 of 21.7.02 ordered that the loss of the papers was

was regrettable but before final orders are passed the result of the trial in the criminal case referred to above is awaited.

The Insp. of Agl. Banks has submitted a copy of judgment in the Sessions Case No 40 of 01-02 acquitting the accused persons.

The 2nd Committee has remarked (on letter No. 350 of 2.5.02 from the Insp of Agl Banks) that he was not sure that the defaulters was much at fault and that Mr Ramadasingar had personally explained the whole thing to him and that he was not desirous to pass any official orders then.

Submitted to Hon Secretary for orders. 30/8/02

d/ 29/8

I think this may be filed and a report as further inspection awaited. The papers are sent up for information.

Hon Mr Councillor 4/9/1902

R: 3/9/02
426

Maybe done

4/9/1902

579

PP6

Proceedings of the Government of Mysore, Judicial, dated 12th March 1902.

READ—

Correspondence ending with letter No. 3171—233, dated the 9th January 1902, from the Inspector General of Police in Mysore requesting sanction to the payment of Rs. 40 made in anticipation of Government sanction to Sergeant Major Leslie and Sergeant Instructor Oag of the Bangalore Rifle Volunteers for conducting the examination in drill of the recruits and Policemen of the Police Training School in November 1900.

No. 15015-16—J. 1276, DATED BANGALORE, 12TH MARCH 1902.

ORDER THEREON.—The Inspector General of Police should not have held direct communication with the two non-commissioned officers referred to in the above and with the Adjutant of the Bangalore Rifle Volunteers in breach of the standing orders. Such an irregularity should not be allowed to recur.

2. The amount of honorarium already paid to the officers in question is now formally sanctioned and will be adjusted in the accounts of the year in which it was incurred, *viz.*, 1900-01.

H. V. NANJUNDAYYA,
Secy. to Govt., Gen. & Rev. Depts.

To—The Inspector General of Police in Mysore.
The Comptroller to the Government of Mysore.

No. 15023-61—J. 1277.

Copy to Heads of Departments and Deputy Commissioners of Districts.

Exd.—J.T.R.

1901-1902

GOVERNMENT OF MYSORE

JUDICIAL

PROCEEDINGS

Dated 12th March 1902

No. 15015-16
J. 1276

Observing that the irregularity of direct correspondence between the Inspector General of Police in Mysore and the two non-commissioned officers of the Bangaloro Rifle Volunteers will not recur.

SBP—18-3-02—200

R 94

GOVERNMENT OF MYSORE

1901-02 DEPARTMENT
~~189~~ Gl. Va 15-3
JUL 10 1901
No —
OFFICE

From

The Inspector of Agricultural Banks in Mysore

To

The Secretary to Govt. of Mysore.
General and Revenue Depts.

Dated 8th July 1901

Despatched 9th do.

Received

General No. 23
No.

Enclosure No. 1

~~In reply to~~

SUBJECT.

Submitting copies of letters addressed to the Comptroller in Mysore and the Deputy Commissioner Chitaldroog district in the matter of repayment in part by the Agricultural Bank at Inalchenur of the Government loan sanctioned therefor.

References (to be entered only in the Dewan's Office.)

No 21

Office of the Inspector of Agricultural
Banks in Mysore.
Bangalore, dated 8th July 1901.

From

The Inspector of Agricultural Banks
in Mysore.

To

The Comptroller to the Government
of Mysore, Bangalore.

Sir, With reference to this office letter No 108
dated 22nd February 1901 on the subject of the repay-
-ment of Government loans to Agricultural Banks,
I have the honor to state that I learn from the letter
of the Amildar of the Davangere Taluk, No 29 dated
the 5th instant that towards the amount of Rs 1500
due by the Malebennur Agricultural Bank on
account of the 1st, 2nd and 3rd instalments due for
the years 1898-99, 1899-00 and 1900-01, the said
Bank has paid Rs 500 on the 3rd instant in addi-
-tion to the previous payment of Rs 100 in June 1899

The said Bank having thus paid Rs 600
in reduction of the Government loan of Rs 5000
sanctioned for it in Government Proceedings
No 6115-8 / F. 598 dated 10th January 1898, I request that
you will be so good as to issue instructions

to

to the Treasury officers concerned to credit the said sum of Rs 600 under the head of Repayment of Loans and to guard against the bank re-drawing it under the system of Current Account.

I have etc.
(Signed) M. Chengiah Chetty
Inspector of Agricultural Banks in Mysore.

No 22

Copy of the above is forwarded to the Deputy Commissioner, Chitaldrug District, for information and for favor of instructions being issued about recovering the balance of Rs 900 during the Current Fasli, together with the sum of Rs 500 due for this year.

The 8th/9th July 1901

(sd) M. Chengiah Chetty
Inspector of Agricultural Banks in Mysore

No 23

Copy submitted to the Secretary to the Government of Mysore, General and Revenue Departments.

The 8th/9th July 1901

By Lieutenant
Inspector of Agricultural Banks in Mysore

Draft-as in order

Read:— 846

~~Letter~~ Memo No. 23 dated 8th July 1901, from the Inspector of Agricultural Banks in Inyoni, submitting the communications copies of ~~letters~~ by him addressed to the Comptroller, Inyoni, Govt and the Deputy Commissioner, Chitradurg district, in the matter of the repayment of Rs 600 up to date ~~in arrears~~ by the Agricultural Bank at in the Chitradurg Sub-Taluk town Malebennur, ~~of~~ the Government loan of Rs 5000.

~~Sanctioned thereon~~

Order thereon

Recorded

By order

No. R 336 of 25/7/01
R.T. 126/97 — 21 —

17/7/01 for Secretary

To
The Inspector of Agricultural Banks in Inyoni

25-7-01

File for the
Hd Assistant.

R
21/12 01.

Forwarded to
the Secretary
for orders
H
21/12/01

Reply that ~~the~~ he
neither the Memo
nor the docket
shows ~~what~~ on
what grounds & for
what offences exactly
the prosecution has
been lodged; and
that the Dy Cr — unless
it is required to en-
gage a Plr at the Cost
of Govt — may him-
self make arrange-
ments to get the work
performed —

H
21/12

H
21/12/01

REVENUE DEPT.
G.A. No. R 2466
DEC. 21 1901
R

1901
87

From Hanumantha Rao Esquire,
Deputy Commissioner,
Chitaldrug District.

To
H. V. Nanjundayya Esquire
M.A., M.L.
Secretary to the Government of
Mysore,
General and Revenue Dept: Bangalore.

Dated 19th December 1901
Despatched 20th
Received
General No. 5739
No.

Enclosure No. one only.

In forwarding here with
Copy of letter No 140 dated the
8th instant from the Deputy
Amildar of Harihar addressed
to the 1st Assistant Commissioner
of Davangere bringing to notice
certain irregularities and
misappropriations of money
belonging to the Agricultural
Bank at Malebennur
together with Copy of the
Assistant Commissioner's Memo
No 144 of the 12th idem, have
the honor to request that
instructions may be
issued to the Inspector of
Agricultural Banks in
Mysore to conduct the
Prosecution.

Prosecution against the Agent
of the said Bank in the Court
of the 1st Assistant — —
Commissioner and 1st Class
Magistrate, Dewangere.

Abdhungm

for Deputy Commissioner,
Chitaldrug District.

MM

No 140

From

H Narasingh Rao,
Deputy Amildar,
Harihar.

To

K. Srinivasa Rao Esquire,
1st Assistant Commissioner,
Davangere

Dated Harihar 8th December 1901.

Sir,

I respectfully beg to report that on the 14th returns while I was sitting in the Komarnahally Chavadi with Sheikdar Srinivasachar, and work Inspector Narasimhachar, awaiting the arrival of the Superintending Engineer Mr V. H. Kharve, Thammanna Joish, the agent of the Agricultural Bank at Malebennur with another member whose name I came to know subsequently as Chigateerappa, came there and introduced himself to me. After a few minutes' conversation I asked him to please show me in the afternoon, after my return to Malebennur, all the account books and documents &c and I would examine them and make an abstract of the Cash transactions up to date

for

2. Amount paid into Treasury towards principal. Rs 1040 - - -

3. Interest paid to the Government Treasury. — Rs 615 - 3 - 8

4. Establishment Charges 153 - - -

5. Contingencies - - - 18 - - -

6. Purchase of books - - - 16 - 4 - 1

7. House rent - - 36 - - - -

8. Seal box - - - 9 - 8 - -

9. Postal Charges - - - 3 13 - 1

10. Subscription to Newspaper 1 - 14 - -

Total Charges Rs 7293-10-10

2. From the above it will be seen that there was no cash balance on the date of - - inspection. It is further observed that out of Rs 1440/- recovered from the members on account of annual payments of instalments, a sum of Rs 1040/- only has been remitted into the Treasury towards the repayment of Government advance and the balance of Rs 400/- shown in the Cash book under date 30th June 1899 as paid to the Marginally Noted members on account of Loans under Class I (upon the Security of immovable property)

1. Thammanna Joish, Agent, Rs 100 - " "
2. Virakapala Nagappa " 100 - " "
3. Sivanenahalli Basappa
4. Ranibennur Hammappa 100 " "

Total 400 - " "

property).

3. The first member is the Agent of the Bank. He executed a document for Rs 400/- on the 12th May 1898 for discharging previous debt and for agricultural purposes.

(1) He drew Rs 100/- by Cheque No 13 dated 4th May 1898, that is, 8 days prior to the Execution of the Bond.

(2) He drew this amount for discharging his previous debt and producing the discharged Bond before he would draw the balance. He did not do so.

(3) He drew Rs 200/- by cheque No 16 dated 12th June 1898. In the bond it has been stated that the lands mentions therein, have been hypothecated to one Kumaraswamy Nadiga Narasingarao for Rs 200/- and that this amount would be paid back out of the Sum drawn from the Bank and the discharged bond given to the Bank. He has not done so.

(4) Notwithstanding the above he paid himself in cash Rs 100/- on the 30th June 1899 out of the instalments recovered from

from members.

(5) No receipts for amounts drawn, have been given as stated in the document.

(6) No mention of the amount of his previous debt is made in the Darakhast Register No 2.

4. The Second member Dinakapala Nagappa executed a document for Rs 600/- on the 12th May 1898 of which he drew Rs 400/- by Cheque No 3 of 4-5-1898 for discharging his previous debt, which condition he fulfilled by producing a discharged bond for Rs 400/-

(2) He drew again Rs 100/- by Cheque No 18 of 12-6-1898

(3) Again a cash payment of Rs 100/- is shown against his name on the 30th June 1899. This payment he does not acknowledge. He has given a statement to the Effect that he has drawn only Rs 500/- on his bond of Rs 600/- and has paid Rs 150/- by annual instalment of Rs 50/- and interest thereon. Further he states that if he had received the above mentioned amount he would

would have paid instalment with interest on it also, which he says he has not done. From the Cash book I see that Rs 15-2 · have been shown against his names every half year subsequent to the above date. This includes the interest on Rs 100/- also. But when Rs 100/ is shown as received from him on the 31st July 1901 · it is stated in the Cash Book that the amount was received from him on account of the instalment for 1900 · 1901 ie, for two years. If he had received Rs 600/- the two years' instalments would have been Rs 120/-

(4) No receipts have been obtained for amounts paid nor have they been given for amounts received.

(5) The Directors and members have corroborated the Statement given by him.

(6) From the above it will be seen that the amount of interest recovered from this man is shown in the Cash book more than what the member paid.

5. The third member Srinivasan alias Basappa executed

executed a document for
Rs 450/- on the 12th May 1898.
On this it is shown that he
received money by instalments
as follows:—

By Cheque No 7 of 4-5-98 for Rs 150/-
——do— 22 of 17-6-98 - 200/-
Shown as paid in Cash } - 100/-
on 30-6-1899 }

Total Rs 450/-

(2) He states that out of Rs 350/-
said to have been paid in 1898,
he received only Rs 300/-. On
this amount he says he has
paid Rs 90/- by instalments of
Rs 30/- per annum with interest.
He totally denies the payment
of Rs 100/- shown on 30th June 1899.
(3) From the Cash Book it will
be seen that Rs 10 5/- and full
interest on Rs 450/- are shown
as recovered from the member.
(4) No Annual instalment
on the last payment for 100/
has been shown as recovered.
(5) The Directors and members
have corroborated the Statement
given by him as regards the
Cash payment of Rs 100/-. As
regards the non receipt of
Rs 50/- further investigation
is necessary.
(6) Although it is mentioned
in the document that he
would

would give receipts for every payment no such receipt was obtained nor was he given any receipts for instalments and interest recovered from him.

6. The fourth member Ramiahamma Hanumappa executed a document for Rs 300/- on the 12th May 1898. He received payments by Cheque No 12 of 4-5-98 for Rs 150/- and by Cheque No 21 of 17-6-1898 for Rs 50/-. The balance of Rs 100/- is shown as paid on 30th June 1899 in Cash.

(2) The Directors and members have stated that they know that Hanumappa was not paid Rs 100/- on the 30th June 1899 as shown in the Cash Book.

(3) The Cash Book shows that Hanumappa paid his first instalment of Rs 20/- and interest upto 30th June 1899.

(4) From the Birth and Death Register it will be seen that Hanumappa died on the 28th August 1899.

(5) From the Cash Book it will be seen that on the last dates in every half year subsequent to the above period full interest on Rs 280/- namely Rs 7-11 2 is

is shown as received from Mudakappa son of the deceased Hanumappa. An instalment of Rs 40/- is also shown as received from him on the 30th June 1901.

(6) Mudakappa has given a Statement to the Effect that he knows that certain amount was borrowed by his deceased father from the Malebennur agricultural Bank, that he does not know how much he borrowed and what instalment he was paying; that Agent Thammanna Joish told him that he should pay Rs 67/- which he paid about 4 or 5 months back; that he pais no other amount excepting Rs 67/- and that he did not pay Rs 100/- to the Agent, Thammanna Joish on the 28th November 1901. Further he adds that he has been given no receipt for this 67 Rupees.

(7) From the above it is believed that the Agent seems to have received more 20 Rupees to adjust the previous receipts of interest shown against his name in the Cash Book.

(8) From the Meeting Book it will be seen that at

Mudakappa

Hundakappa was admitted as a member in place of his deceased father Hanumappa on the 1st July 1901, vide Proceedings of the General Meeting No 4 dated 1st July 1901.

7. In paras 44 and 45 of the Articles of Association, it is laid down that no loan shall be made except for an approved purpose connected with some Agricultural operations or for the redemption of land from an existing mortgage or for the liquidation of any debts and that applications for loans are to be made to the Board of Directors who shall enquire into the object of the loans and into the sufficiency or otherwise of the Security offered, and make a record of the result of such inquiry in the Register of Applications for loans. No such record has been made in this Register It will be seen from this that the total amount of encumbrances was Rs 1782/- leaving a balance of Rs 3218/- for agricultural purposes

purposes out of Rs 5000/- Sanctioned. This should have been equally distributed among the members. Instead of this Rs 750/- was shown in excess of the limit and documents were executed and registered from the marginally noted members although there was no money in the Bank nor was there any near future that these amounts would be paid to them. The reasons for the same are not forthcoming.

		Rs - A - P
1.	Thammanna Joish	100 - -
2.	Tirakapalu Siddappa	100 - -
3.	Tirakapalu Nagappa	100 - -
4.	Mallappa —	—100 - -
5.	Jan al Sabi —	50 - -
6.	Khaja Moideen Sab	100 - -
7.	Sivanna halli Basappa	100 - -
8.	Ranibennur Hanumappa	100 - -
	Total	750 - -

8. There have been held 5 General Meetings, of which the fourth is the only one which has been confirmed and recorded by the Registrar of the Joint Stock Companies in Mysore. The Special resolutions passed in the previous three General Meetings not having been Confirmed and recorded, the Bank is liable for penalty as laid down in Section 74 of the Mysore Companies' Regulation.

9. From the Abstract of receipts and Charges shown in para 1 above, it will be

	Rs	A	P
1. Establishment Charges	153	"	"
2 Contingencies	18	"	"
3. Purchase of books	16	4	1
4. House Rent	36	"	"
5. Seal box	9	8	
6. Postal Charges	3	13	1
7. Subscription to Newspaper	1	14	
Total	Rs 238	7	2

be seen that the total income of the Bank upto date was Rs 238-7-2 and the whole of the amounts shown as expended as per margin. Particulars of Charges are not entered No vouchers are forthcoming. The first payment is on account of Mutsaddy's pay but actually the amounts have been drawn by the agent himself as per proceedings No 3 of 1-1-1900 in contravention to para 57 of the Articles of the Association wherein it is distinctly stated that the members shall receive no remuneration for their services in connection with the Bank. Before any reduction was made, there appears the debit of Rs 24/- on account of the Establishment Charges on 31 12 98. In this connection I have to bring to your notice that the Cashbook has been written once in every half years on the last date. All receipts are shown in one day upto the end of June 1901. In the Documents executed it is clearly stated that interest on loans must be paid before the end of May and November of every half

half year and annual instal-
-ment before the End of May
of Every Year. Whatever these
Conditions may be, it is a
matter for Consideration
as to how all Members
must have paid their dues,
in one day. When receipts
and disbursements are shown
one day in Every half Year,
it is not known why the
Agent should be paid
monthly Salary. There is
another peculiarity in
his Cash Book, that the
receipts and Charges are
balanced in such a way
as to leave no Cash on
hand. Whatever that was
left, it has been debited
for Tappal Charges, Purchase
of books, News-paper Sub-
Scription and Contingencies
&c with No Vouchers.

10. The Bank is
located in the Agent's
house. There is no Separate
room outside. The public
cannot freely go in without
the permission of the inmates.
It seems to be an inside
private office room of
the Agent who has regularly
Charged one rupee a
month for house rent.

In

In short I beg to state that the Agent has so managed the Bank affairs as to leave no balances at the credit of the Bank.

11. On the 28th November 1901 when search was made as per orders, the Agent, Hanumanna Joish, produced in cash Rs 200/- stating that Sivanenkally Basappa paid him one hundred and Nundakappa son of the deceased Hanumappa paid him another hundred on that date. When the above persons were questioned they stated that they did not give these amounts to the Agent either on that date or any date previous.

12. From the above it will seem that the Agent was all powerful and managed the business as he liked. The President Srinivasa Rao is his relation and seems to know very little about the Bank affairs. Moreover he does not seem to have any control or check over the Agent. If either of these had been changed as required by para 27 of the Articles of Association, the Bank affairs

affairs would have been
better managed I suppose.
But from my short experience
I have to find that all others
seem to be in dread of the
Agent.

13. Almost all members
are regular in paying
instalments and interest.
Most of them are ryots.
They were kept in darkness
till now. If the President
and the Agent are removed
and the amounts due from them
are recovered, the Bank may
be started fresh with the remaining
members and with new ad-
missions. Many people
have been advised of the
benefits of these institutions.
Almost all of them will
contribute their quota
towards deposit. So I
am not in favor of the Bank
being ordered to be wound
up consequent upon the
mismanagement of one
of its members.

I beg to remain,
Sir,
your most obedient Servant,
(Signed) N. Narasinga Bhan
Deputy Amildar

No 144

Submitted to the Deputy Commissioner
for orders and for instructions
being

being issued to the Agricultural Bank Inspector for making the necessary arrangements for conducting the Prosecution in the Case of Government ~~vs~~ Thammanna Jois and Srinivasa Rao, Accused, under Sections 193, 403 & 409 of the Indian Penal Code in Criminal Case No 14 of 1901-1902 on the file of the Assistant Commissioner and 1st Class Magistrate, Davangere.

(Signed) K Srinivasa Rao
Assistant Commissioner

12th December 1901
Davangere.

'Copies'
Ajjakantharaya
for Deputy-Commissioner,
Chitaldrug District.

Compd. ~~Wilt~~

From

THE SECY. TO THE GOVT. OF MYSORE,
GEN. & REV. DEPTS.

To

The Dy: Commr: Chitg Dt

Dated 23-12-01

Despatched

Received

~~General~~ No. R 2786

R.T. No. 126/97

Enclosure No.

His Docket No. 537 dated
19th December 1901, submitting
a copy of Memo. No. 144 dated
17th idem, bringing to notice irre-
gularities and misappropri-
ations of money belonging to
the Agricultural Bank at
Malebennur, and requesting
issue of instructions
the Inspector of Agricultural
Banks to ~~conduct prosecutions~~ prosecute
~~against~~ the agents of the Soo
Bank

In reply, has the honor to state
that neither the Memo above
referred to, nor the Dy: Commr
Docket shows on what ground
and for what offences the pros

tution has been lodged; and
that the Dy: Commr — unless
it is required to engage a
pleader at the cost of Govt. —
may himself make arrange-
ments to get the work per-
formed.

By Order

A.D
21/12/67
for Secy.

H Cook

190

From

The Dy Commissioner
Chitaldrug

To

THE SECY. TO THE GOVT. OF MYSORE,
GEN. & REV. DEPTS.

Dated 21—1—02

Despatched

Received

General No. Memo No. 638
No.

Enclosure No. Three

Subj a memo on inspection of the Agrl Bank at Malebennur, Davangere 18th to 21st inst

May/01 together with a copy of the Dy Comrs letter addressed to the Inspector of Agrl Banks

References to be marked.

Submitted to the Secretary with reference for orders

3/2/02 3/2/02

I think we may wait till the result of the Criminal proc[n] is known.

Submitted to the 2nd Councillor

4/2/1902

Rev.

This is useful reading. Kindly pass an order as follows:—

"Govt regret to find that the affairs of this Bank have been conducted in the past in a manner far from satisfactory — Pending the result of the prosecution now before the Court, Govt would not wish to have a very long report

OFFICE OF THE INSPECTOR OF
AGRICULTURE

No 201

Enc 2.

Reg'd No 859
9.7.1902

Memo on Inspection of the Agricultural Bank at Malebennur

Davangere Taluk

Date of Inspection 18th to 21st

I. Incorporation and Registered office. The Bank was incorporated under the Certificate of the Registrar of Joint Stock Companies in Mysore dated the 26th April 1898.

No Copy of the Memo and Articles of Associ
Regd 8/1 Documentation is rec'd in the Bank. The Agent was told
to obtain a certified copy from the Registrar of
Joint Stock Companies

The Office of the Bank has been held in premises no 295 the houses of the Agent at Male bennur, regis. under the rules for Agl. Banks in Mysore.

II. Villages brought within Bank's Scope. Their number and names have to be ascertained from the certified Memo of Associat: when received.

III Members. There have been from the beginning 15 members, viz., 4 Brahmans, 8 Sivachars and 3 Mussalmans all of Male bennur village. No new members admitted

IV. Paid up Shares -

given below:-

Particulars	Govt. land						Inam land (Joda)						Total						Price	
	Dry		Wet		Bagayt	Total	Dry		Wet		Bagayt	Total	Dry		Wet		Bagayt	Total	Fixed by Bank Auditors	Fixed by Taluk Auditors
	A	G	A	G	A G	A G	A	G	A	G	A G	A G	A	G	A	G	A G	A G		
Information as reported to Govt.	642	5	8	17	- -	650	22	225	37	2	11	5 15	233	23	868	2	10	28	5 15	884 5	12353	9300
Subsequent additions	4	10	.	.	. .	4	10	.	.	.	.	. .	.	.	4	10	.	.	. .	4 10	100	
Do. deductions (owing to elimination of trees)	26	22	-	-	- -	26	22	.	.	.	.	. .	.	.	26	22	-	-	- -	26 22	25	
Net. at date of Inspection	619	33	8	17	- -	628	10	225	37	2	11	5 15	233	23	845	39	10	28	5 15	9[illegible]	[illegible]	

The Agent said that all his lands had not been entered in the Property Register, those omitted being situated in the Honnali Taluk. He was informed of the object of the Register and desired to make it complete and accurate.

V. Bank's funds.- The limit prescribed in the Articles of Association has to be ascertained on receipt of copy thereof. The Agent believes it is Rs. 10,000/-

VI. Government advance.- The amount Sanctioned in Government Proceedings No $\frac{6115-8}{Fe.5-98}$ dated 10th January 1898 is Rs. 5,000. The amount actually outstanding against the Bank at the date of Inspection was Rs. 4,900. The Bank has been allowed [illegible] years for repayment [illegible]

with 1898-99. Excluding Rs. 100/- paid by it in June 1899, it had to pay Rs 1400 by the end of June 1901 The Agent promised to recover instalments and pay to Government the amount of two instalments at least by the end of June.

Note.. From the accounts received since, the Bank appears to have repaid into the Treasury by the end of August 1901 a sum of Rs 1040 inclusive of the sum of Rs 100/- referred to above, against Rs. 1500 due The Agent in a letter dated 1st August 1901 promised to pay the balance by the end of December 1901.

VII. Deposits. No deposits secured yet. The Bank authorities pleaded ignorance. They had apparently not read the ya dis addressed to them. The matter having been fully explained, they promised to exert themselves and feel confident of attracting deposits.

VIII. Banks transactions upto date of Inspection - These are particulars as below:—

Receipts.	Rs.	as.	p.	Expenditure.	Rs.	as.	p.
From Treasury	5000	..		To Treasury	100	..	
" Entrance fee	7	8	..	" Members as loan	5400	..	
" Interest	711	6	10	" Government as interest	517	3	8
" Repayment of loans	500	..		" Establishs + Charges	126	..	
				" Printing Charges	16	4	
				" Contingencies	9		
Total	6218	14	10		6218		

Note.- The transactions calculated upto end of September 1901 as per accounts since received from the Bank were as shewn in the subjoined Statement.-

Receipts	Rs.	as.	p.	Expenditure	Rs.	as.	p.
From Treasury	5000	.	.	To Treasury	1040	.	.
" Entrance fee	78	.	.	" Members as loan	5400	.	.
" Interest	846	2	10	" Govt. as interest	615	3	8
" Repayment of loans	1440	.	.	" Establishment Charges			
				" Printing Charges	238	7	2
				" Contingencies			
Total	7293	10	10		7293	10	10

X This is a large figure

IX. Cash Balance.- The limit prescribed in the Articles of Association is said to be Rs 2000/-; but excepting on the 29th June 1898 on which date there was a balance of Rs 8.120 not a pie was shewn as remaining in the hands of the Directors during the whole period of the Bank's existence. Some expenditure under Contingencies or Establishment was found to annihilate the balances, admittedly not necessary and some items not even real; but it is explained this was done through a misconception that expenditure should exactly balance with income; and the Agent has promised to see that sums so charged without warrant or justification are not passed to-

X. Limit of loans to individual members.

It is explained that in the Articles of Association loans of Class I are limited to Rs. 1000/- and of Class IV to Rs. 20/- It is also explained that the members had in a deposition before the Deputy Amildar prior to the submission of their papers to the Deputy Commissioner, undertaken to allow no loans in excess of 50% of the value of property mortgaged to the Bank, but there is no resolution of the General Assembly to this effect.

The cases of loans in excess of the limit of 50% are noticed under "Mortgage and other documents"

XI. Objects for which loans were obtained.

Entries in the Members' Applications for loans and in the Bank's Register of such applications were vague, but in the bonds executed by the members the debts to be discharged and the Agricultural work to be executed had been Specified. It is seen that a Sum of Rs. 1984/- was used to discharge previous encumbrances, Rs. 1572 to repay Sundry debts and Rs. 1844 a. Agriculture [illegible]

The bank had secured five discharged mortgage deeds to the extent of Rs. 1284 and four simple bonds to the extent of Rs 550/- and had yet to secure 3 mortgage deeds and 9 simple bonds or pro notes as noted below/- The Agent promised to have all these procured before the next meeting of the General Assembly:

No. of bonds to be secured	Name of Members	Description of discharged bond due.	Amount of discharged bond due Rs.	
1	Thammanna Jois, Agent	Mortgage deed in favor of Nadiga Narasinga Rao.	200	The Agent asserted that these debts had been discharged but the discharged bonds were to be obtained and procured
1	Siddappa	Do. in favor of Fouzdar Syed Mohiaddin of Ranebenur	300	
1	Basappa Sivenahalli	Do. in favor of Davangere Gumastappa.	302	
1	Srinivasrao, Resident	Simple bond in favor of do - do	92	
2	Mallappa, Barmale	Do in favor of Davangere Gumastappa	300	
1	Bhavikatte Jamadar	Do in favor of Honali Rustumali Khansab	100	
1	Do.	Do Do. Marwadi Doddaji	130	
1	Khaji Syed Mohiyaddin	Do. Do. Mallur Somalachari	100	
1	Do.	Do. Do. Arsikere Kadlappa	50	
2	Mallappa Jigali	Simple bonds.	150	
12			1722	

The documents executed to Bank by members impose two important Conditions, namely (1) that payments to Creditors be made on behalf of the members Concerned direct by the Bank and (2) [illegible]

Of the loan intended for Agricultural pur-
pose be not paid till discharged bonds
to the full extent of the loans granted for
the liquidation of debts were duly secured.
Both these Conditions were overlooked, and
some payments were made even before
registration of documents. No receipts are
filed in the Bank, but it is explained that
stamped receipts had been given in the Taluk
Treasury by each member when cashing his
cheque. The sum of Rs. 1844 borrowed for
Agricultural works is stated to have been
used as follows:-

Rs. 414-- for digging earth (Rangoo Bawsoo)
" 300 " " Raising mounds (Rangoo Bawsoo)
" 810 " " purchasing bullocks
" 270 " " payment to Coolies
" 50 " " Unsunk well

XII Interest and Penalty:- Dealings
of the Bank were confined to loans of
Class I. These were in excess of Rs 100/-
and the interest charged was therefore
5 1/2 % per annum. The amount of interest
collected from members up to end of June
1900 was Rs 711-' " " " 1901 '

Government, Rs. 5-17-3-8. There were no arrears.

Note:- The accounts received since that on account of the interest due to the Bank up to the close of the half year ending the 30th June 1901, Rs. 846-2-10 had been received, and that on account of the interest due by the Bank to Government up to end of the same period, Rs. [illegible] had been paid to the Treasury [illegible]

XIII. Instalments.- One member by name Ranganna had not taken any loan. The loans obtained by the remaining 14 members amounted to Rs. 5400, all repayable in ten equal annual instalments. As per terms of the bonds executed on the 12th, 18th and 19th of May 1898, three instalments had fallen due by each member up to the date of inspection aggregating Rs. 1725, but the Agent urged that the understanding of the members was that the instalments were to be one tenth of the amount actually given, viz. [illegible]

not having been given the full amount of Consideration mentioned in the documents, that they were to be paid in June and that two instalments had thus become due aggregating Rs. 1040. Against this, the member had paid Rs 500 only, the amount of first instalment. The last harvest having been favorable the President, Agent and other members present stated that the whole of both the instalments due up to end of June 1901 would be paid by the end of that month.

XIV. Mortgage and other documents executed to Bank. - The number of mortgage deeds executed to Bank is 14. They are in the prescribed form and are all duly registered.

The Amount secured by them is Rs. 5750 against which Rs 5400 has been paid, Bairnale Mallappa having given Rs 400 against Rs. 500, of the bond. Bhavikatte Jam.

against Rs 350/- Khaji Syed Mohiyaddin Sab Rs 300 against Rs 400 and Tirakappana Siddappa Rs 400 against Rs. 500. The Board of Directors deemed to bee not disposed to pay the balance on the ground apparently that the members concerned were not in need of it.

The extent of property mortgaged to Bank is 708-7 with 14 houses, all valued at Rs 13,040 as estimated by the Bank, and Rs 9590 as per estimate of the Taluk authorities Compared with the value of property mortgaged, the loans granted exceed 50 p.c of the value of property in 8 Cases if the Bank's estimate be taken and in 12 Cases if the Taluk estimate is taken as shown below:-

Name of member	Amount of loan outstanding	Value of property Mortgaged		Percentage of loan outstanding to the value of property Mortgaged		
		Bank's Estimate	Taluk Estimate	With reference to Bank's value	With reference to Taluk value	
Thamanna Jois	370	500	400	74	92.5	X
Siddappa Gowda	360	825	580	43.6	62	
Nagappa	550	1,275	1,015	43.1	54.1	X
Chikkaveerappa	405	700	600	57.8	67.5	X
Veerapaksha Bhatta	180	350	350	51.4	51.4	
Jamal Sab, Bhavikatte	270	380	325	71	83	X
Khaji Syed Mohiyadin Sab	270	750	500	36	54	
Basappa Siganenahalli	415	530	430	78.3	96.5	X
Basappa Nagasanahalli	180	250	200	72	90	X
Hanumappa	280	400	400	70	70	X
Mallappa Jigali	180	280	240	64.3	75	
Jamal Sab, Rajnahalli	180	400	300	45	60	X

The Bank authorities intended to reduce the outstandings by insisting on the payment of the arrears of two instalments.

In the Schedule attached to the document executed by Timkappana Nagappa, the area of each of the Survey Nos. 38 and 113 has been entered as $\frac{a.}{23}\ \frac{g.}{0}$ and included in the total as such, while the area of each is actually $\frac{a.}{0}\ \frac{g.}{23}$. The same mistake is [illegible]

land shewn in the Property Register as the share of executant's brother Siddappa, the Khaledar, but the latter's attestation had not been obtained.

In the document executed by Jigali Mallappa, particulars of previous debts had not been specified, although from the Context they were required to be so done. The President and the Agent explained that the omissions would be rectified by suitable resolutions in the next General Assembly meeting.

The bonds with discharged deeds obtained had not been duly Catalogued, nor was any register opened for noting them.

XV. Title deeds &c. - These had not been produced by any. The major portion of lands mortgaged to Bank is said to be what was acquired by the forefathers of the members upon Darkasts, and the rest to be either Godi or land purchased, aggregating nearly 291-33 ac. G. dry, 2-11 wet and 5-15 garden [illegible]

2

of which the Agent said he would en-
deavour to obtain from the members con
cerned proper title deeds or sale deeds.

XVI. Meetings of General Assembly.

Three meetings had been held since
the incorporation, viz, on 1-5-1898, 1-2-19
and 1-1-1900 and none since. No steps
taken to have the proceedings confirmed, print
ed or recorded. The provisions of the law were
explained.

Note. - Subsequent to the inspection, a meeting
of the General Assembly was held, the pro-
ceedings of which were duly confirmed, printed
and recorded.

XVII. Registers and other Books.

(1) Register of applications for admis-
sions of the Board of directors not recorded
herein, as required by para 45 of the Articles
of Association.

(2) Cash Book - In the course of three
years of the Bank's

Cash transactions on only ten days. It was explained that the Agent was often away from Malebennur for long periods and that the President and Directors had till then taken very little interest in the working of the Bank. A Mutaddi on Rs 4/- per mensem was thus superfluous. Certain charges incurred at the initial stages of the Bank had been debited in the Cash Book long after they were so incurred and the total charges so adjusted were less by Rs 4- 1-11 than what the vouchers in the possession of the Agent showed as having been actually incurred. The Agent said that there were certain other items of expenditure not noted through forgetfulness and delicacy, and that the half yearly lumpsum charge of Rs 3 as Sundries expenses was meant to recompense

expenditure. The impropriety of such charges having been pointed out the Agent promised to repay all sums charged in respect of which vouchers were not forthcoming.

Another objectionable item of expenditure met from the Bank's funds was of Rs 1-0-0 Subscription to the Vrutanta Patrika News-paper. This too, the Agent promised to make good.

(3) Ledger This wanted an index. Separate accounts had not been opened in it for the Bank's transactions with the Treasury, Establishment-Charges, Contingent expenses, Interest to Government, Printing charges, Registration fee &c. and other heads.

(4) Balance Sheets None kept. None seemed to have been prepared. The Bank had not even nominated a committee of auditors to audit its accounts. Strict instructions had been issued regarding the requirements of the Law, yet ignorance was urged as an excuse for the omission

Subsequent to the Inspection,

Sheet for the period ending with 30th June 1901 was prepared by the Agent, was formally adopted by the General Assembly at the meetings held on the 31st and 30th July 1901 and was recorded in the Office of the Registrar of Joint Stock Companies.

(5) Register of Property of Members. – Not kept in the printed form generally in use in other banks. The form in use here does not contain columns for such important particulars. The President and Agent were instructed to have the register re-written completely and accurately in a printed bound book which could be obtained from the Vichara Darpana Press at Bangalore.

(6) Treasury Pass Book. – This had not been kept and it was explained a book for the purpose had not been supplied to the Bank. The Agent was instructed to apply for it to the said printer at Bangalore.

(7) Receipt-book for receipts to be obtained from members for payments made to them. This had not been kept in spite of this Office Order of the 5th August 1897. The Agent explained that he was under the impression that Stamped receipts on the bank's cheques presented by the members at the Treasury and obtained by the Treasury Officer before payment were sufficient. But payments were not all on cheques. The need for a regularly kept Receipt book was impressed on him.

(8) Receipt-book for receipts to be granted to Members. This had not been maintained. The Agent said that in a few cases manuscript receipts were granted to those who asked for them and that ordinarily the entry in the Cash Book was considered sufficient to evidence payments by members to the Bank. The utility of granting receipts in a regular business like manner, with counterfoils, was explained.

9 Register of Directors and Register of Bonds. These had not been opened. Instructions given.

XVIII. General Remarks. The Agent and others attributed the irregularities and omissions noticed above to ignorance but promised to rectify them and to endeavour to make the Bank more popular.

S. Ramabrahmachariyar
Inspector of Agricultural Banks

Post Script.

The draft of the above report

passed on the 7th July 1901, but the fair
Copy was submitted to me after my return
from the three months' privilege leave which
was availed of on the 9th Idem. As the report
had then become Stale I thought of watch-
ing the Steps taken by the Bank's authorities
to rectify omissions and irregularities and
submitting a fresh report after seeing the
bank again or calling for information,
the more especially as the Agent urged
that the Bank had not been inspected
and explanations given before, Concerning
the details of procedure, that he depended
for light on what the Honali Bank men
chose to tell him, and that the faults
noticed were due to ignorance and would
be rectified, and further as the examina-
tion of documents and inspection of the lands
of some of the members showed that the
Bank's funds had been lent to members,
on the whole, on proper Security. The Agent
took a note of the points requiring attention
and from his demeanour and behaviour
he appeared to be sincere, though it was
difficult

difficult to believe that he was capable of such gross ignorance He asked for a written memo from this office reiterating the instructions for the sake of record, but this, I find, had not been furnished.

2. The Notes appended to paras VI, VIII XII, XVI & XVIII(4) of the above report shew that there had since been more activity in the working of the Bank; but of late there appear to have been some developments of a fatal kind, followed by a Coup D'état under the orders of the Assistant Commissioner and 1st class Magistrate. The President and Agent, writing on the 14th ultimo stated that they had been seized and kept in the lock up for 1½ days, that their houses had been searched and all the books and records of the Bank as well as Cash to the amount of Rs 200 carried away, that they were unable to take any steps for the recovery of sums due from members in the month of december and were not responsible for non-recovery they were ready to pay the re

person as might be authorised to receive them, that the liability of themselves and their property in respect of any claim against the other members ceased thenceforward, and that for joining "your bank" they had to suffer disgrace.

3. Not having received any intimation of the grave steps alleged to have been taken, from the deputy amildar or other authority, I wrote to the deputy amildar on the 18th ultimo asking him to be so good as to furnish information on the following points, namely, -

(1) Who were the Complainants and what was the nature of Complaint;

(2) Where were the President and Agent arrested and their houses searched;

(3) Where had the books &c. of the Bank been removed to;

(4) had the Directors made during the pendency of the Complaint against the President and Agent, suitable arrangements for the recovery of interest from members and payments of the same to the treasury, for the receipt of the sums which the President and Agent offered to pay, and for transaction of other business

4. I'm writing again on the 24th ultimo the Agent stated that the monthly accounts for October and November called for could not be sent as the accounts and books of the Bank had been seized and carried away in connection with the complaint of defalcation against him and President, that the Bank Office had been closed and become extinct (new Co's engrossed), that the Government should themselves undertake the recovery of dues from members, that the failure of some members to produce discharged documents indicated an intention to cheat and that the full amount of loans should be recovered from members.

5. On receipt of the above, I addressed a D.O. to Mr Narasinga Bhan inviting attention to my Zadi and enquiring if my presence was required. In acknowledging this he has kindly furnished the following information:-

D.O. date 30-12-01
Received - 3-1-02.

"On the 14th November 1901 he

" the Cash Book of the bank and also
" tracked the transactions for dis-
" posing of a reference from the Deputy
" Commissioner When I found on
" enquiry that 3 out of four cash
" payments of 100 each shown in
" the Cash Book on the 30th June '99
" were not admitted by the members
" and the Directors present, I had
" to refer the matter for orders They
" gave me written Statements to this
" effect. I submitted these to the Assistant
" Commissioner at Davangere, who
" issued warrants to arrest the Agent
" and the President and produce
" all documents, books and Cashes
" found on search in the Bank pre-
" mises to the first-Class Magistrate's
" Court at Davangere. These orders
" have been obeyed. A detail memo
" has also been submitted to the Deputy
" Commissioner thro' the General
" Assistant Commissioner. The bank
" affairs were very badly managed
" by the Agent He was simply running
" the 2 pots (members). All members

"are solvent. There seems to be no fear
for the Government advance. The
case is adjourned for hearing on the
15th proximo"

6. No remarks will be made con-
cerning the matter now sub judice. As re-
gards the observation that the Agent
was simply ruining the Ryots (members)",
I would beg leave to note merely that
during my stay at Mealebenur for the
purpose of inspection no member came
forward with any complaints or grievances,
that the then Deputy-Amildar who made
a halt there at the time and held an
independent inspection of the Bank's books,
did not also appear to have been approach-
ed with any such complaints or griev-
ances that the only person that spoke
to me still was Mr Venkatrao, pensioned
Head Munshi who said the Agent
was a bad man and expressed his
wish to see the President, a relation of
his (Mr Venkatrao's) sever his connection
with the Bank, and [illegible]

had his own explanation to give concerning this.

7. Whatever may be the result of the Magisterial enquiry, it seems to me the time has come for a consideration of the question whether the Government should not be advised to recall its loan to the Bank. It seems most unlikely that after witnessing the arrests and seizure referred to, the remaining members of the Bank will unite and arrange for the continuance of the bank's working. The Agent's two yadi referred to above are submitted to the Deputy Commissioner for disposal.

P. Ramachandra Iyengar.
Inspector of Agricultural Banks.

4th January 1902
Dept 26th Do

Submitted to the Government through the Deputy Commissioner, Chitaldrug District.
6 January 1902. P. Ramachandra Iyengar

Memo No: 638 En: 3.

Submitted to the Secretary to the Govt of Mysore, Revenue & Genl Depts, with a copy of my letter to the Inspector of Agricultural Banks. No 1340 of this days date. Mr Ramachandra Iyengar
Office of the Dy Comr. Chitaldrug
21st January 1902. Dy Comr Chitaldrug Dt

No: 1340 - En:
1-

Deputy Commissioner's office
Chitaldrug District
Dated 21st/25 January 1902.

From,

M. Narain Rao Esquire
Deputy Commissioner
Chitaldrug District

To,

B. Ramaswamingar Esqre
Inspector of Agricultural
Banks in Mysore
Bangalore

Sir,

In acknowledging the receipt of your memo of the 6th Inst, forwarding your report dated 21st May 1901 on an inspection of the Registers of the Agricultural Banks at Hariharpur Sub-Taluk, I have the honor to forward for your information copy of a memorandum drawn up by the Dyamildar of Harihar under date the 8th December 1901, giving particulars of the accusations which have been brought against Thammanna Jois and Srinivasa Rao, and to state that the Dyamildar has been instructed to require the directors to adopt measures for the removal of the said persons from the Board and to arrange for the future working

of

of the Bank.

2. As regards your apprehension that it is unlikely that "the remaining members of the Bank will unite and arrange for the continuance of the Bank's working" I invite your attention to the last para of Dy Amildar Narasinga Rhan's memo dated 8th December 1901, and to request the favor of your paying a visit to — Malebennur at an early date and letting me know, after local — enquiry, whether you would still advise the Government to recall the loan issued to the Bank.

Thanks

sd/ M. Narain Rao
Dy Commissioner

Copy

B. Krishnamurthy
for Deputy Commissioner
Chitaldrug dist.

Ulla.

File for
30/1/02

30/1/02.

Mr Cornish Asst Secy

No orders are required - The Corr: may be subd to the Councillor for information

30/1/02

attend to 4th inst. The 2nd
2nd inst. The 2nd
2nd inst. The 2nd
abi[illegible] Councillor.

4/2/1902

Rec'd 4.2.1902

No R 785 G
1902

From H. Narasimha Rao Esquire,
District Magistrate,
Chitaldrug

To
H.V. Nanjundayya Esquire M.A. M.L.
Secretary to the Govt of Mysore
General and Revenue Depts
Bangalore

Dated 23rd January 1902
Despatched
Received

General No. 616.
No.

Enclosure No. 1

His docket no R 2786 R 7/12.6/97 dated the 23rd December 1901 enquiring on what grounds and on what offences prosecution has been lodged against the President and the Agent of the Agriculture and Banking Co

In reply, I have the honor to submit herewith copy of docket no 172 dated the 20th instant from the 1st Asst Comr and 1st class magistrate of Davangere setting forth the offences in respect of which a complaint has been lodged against the President and the Agent of the Bank referred to in the above

2 The Head Assistant Inspector

Inspector of Police has been
instructed to conduct the
prosecution.

M. Narasimha Rao
District Magistrate

Collect

(General Serial No. 23.)

189– 1902

10 a

From M. Chengia chetty Esqre. B.A
Senr Asstt Comr and 1st Class Magte Dindigul

To M. Narasimha Rao Esquire.
Deputy Commissioner and District Magistrate
Chittaldroog

Dated 20th
Despatched } January 1902
Received

General No. 172
No. } ~~189~~

Enclosures—Number.

His no 325 dated the 17th instant.

" "

In reply, has the honor to state that in the course of the examination of the accounts of the Agricultural Bank at Malebennur by the Deputy Amildar, he

× J. Nagappa Bond executed for Rs 600. Amount shewn in the books ——— 600
Actual payment Rs 500 as per his statement ——
L. Basappa

Bond executed for Rs 450 amount shewn in the books ——— } Rs 450
Actual payment Rs 300 as per his statement

he learnt that certain sums detailed in the margin had been shewn in the Cash book as paid to T. Nagappa and S. Basappa, and these persons having denied the receipt of these amounts the Deputy Amildar took down their statements and submitted a report to the Assistant Commissioner and 1st class Magistrate Mr. K. Sreenivasa Rao; whereupon the Deputy Amildar's statement on oath was recorded by him and the case taken on file under Sections 193, 403 and 409 of the Indian Penal Code for fabricating false evidence, for criminal misappropriation and for criminal breach of trust by a banker.

The Head Quarter Police Inspector may be directed to conduct the prosecution. The enclosure to the docket under reply is herewith returned.

/Signed/
M. Chenga chetty
Asst Comr & 1st class magte

"Copy"

K. Srinivasa Rao
District Magistrate

Draft a/cs

Proceedings of the Govt. of Mysore

V

Read:-

Memo. no. 638 dated 21st January 1902 from the Dy. Commissioner Chitaldrug District, submitting memo. of inspection of the agricultural Bank at Malebennur, Davangere Taluk, made by the Inspr. of agricultural Banks, between the 18th & 21st May 1901

2. Letter no. 616 dated 23rd January 1902, from the Dy. Commr. Chitaldrug District, reporting with reference to this Office No. R 2786 dated RT 126-97 23rd December 1901, that the Head Dr Inspr. of the Chitaldrug Dt has been deputed to conduct the prosecution of the agents of the Bank under Ss 193

Sec 7:1

403 + 407 of the I. P. C

No R 3429-30 / R-7-126-97 dt 6/2/02

6

Order Reserved: —

Govt. regret to find that the affairs of this bank have been conducted in the past in a manner far from satisfactory. While awaiting the result of the prosecution pending, Govt. before ordering a winding up, wish to have a very early report of the reforms and improvements, if any, introduced since the date of the Inspectors' last inspection made so far back as the 18th to 21st May 1901, and of that treatment in its present condition the Bank deserves and should be accorded. This belated report is much to be regretted, and a report as quickly as possible of a second inspection by the Inspector

and

and of the Dy. Commrs. opinion thereon are awaited and should be accelerated. It is hoped that the Dy. Comm. will give the affairs of this Parish his personal attention, and if not impossible inspect it conjointly with the Inspector so as to be able from personal observation to advise Govt., as to the action to be taken in the matter of the further continuance or otherwise of Govt. help to this institution.

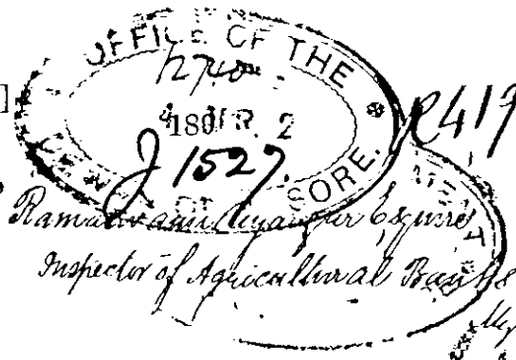
V
5/2/02
for Secretary

To

The Dy: Commrs:
Chittagong Dn.
Insps. of Agl. Banks

for
5/2/02

Gen. 30]



2740
1802
1527
2419c
212

From B. Ramakrishnaiya Esquire
Inspector of Agricultural Banks in Mysore

To H. V. Nanjundayya Esquire
The Secretary to the Govt. of Mysore,
General & Revenue Depts

Dated / 3rd
Despatched 3rd } April 1902
Received

General No. 315
No.

Enclosure No. 5

In reply to

SUBJECT.

Submitting for the information of Government, copies of the correspondence between him, and Mr. Wilkieson Superintendent of Railway Police, Civil and Military Station Bangalore about the loss of certain records.

References (to be entered only in the Dewan's Office).

Govt
4.4.02
Enclosures with a note to address
Govt
7/4/02

Office of the Inspector of Agricultural Banks in Mysore,
Bangalore, dated 1st April 1902.

From

B. Ramaswami Aiyangar,
Inspector of Agricultural Banks
in Mysore,

To

H. V. Nanjundayya Esquire, B.A. B.L.,
Secretary to the Government of Mysore,
-General and Revenue Departments,
Bangalore.

Sir,

With reference to the Proceedings of Government, No. 1505-16/J.1276 dated the 12th Ultimo, I have the honor to submit herewith, for the information of Government, copies of the marginally noted* correspondence which took place between me and Mr. Wilkieson, Superintendent of Railway Police, Civil and Military Station, Bangalore, about the loss of certain records while in transit to Harihar in the custody of the Daffedar of my office, some of them for production before

* Letter No. 215 dated 18.3.1902 from the Inspector of Agricultural Banks in Mysore to the Superintendent of Police, Civil and Military Station, Bangalore.
" No. 1141 dated 28.3.1902 from the Superintendent of Police C. & M. Station to the Inspector of Agricultural Banks in Mysore.
" No. 307 dated 29.3.1902 from the Inspector of Agricultural Banks in Mysore to the Superintendent of Police C. & M. Station.

-before the Court of the Assistant Commissioner and 1st class Magistrate, Davangere in Compliance with the summons issued by the Court, and the other for delivery to the Deputy Amildar of Harihar. As the matter amounted to merely lodging a complaint for investigation before the officer having jurisdiction, and as early action was necessary, I took the liberty of addressing the Superintendent of Railway Police direct.

GOVERNMENT OF MYSORE

I have the honor to be,

Sir,

Your most obedient Servant,

C. Ramachandra Iyer

Inspector of Agricultural Banks

in Mysore

Compd.

Office of the Inspector of Agricultural Banks in Mysore,
Bangalore, dated 18th March 1902.

No 295

12/a

From

B. Ramaswamy Aiyangar,
Inspector of Agricultural Banks
in Mysore,

To

H. J. Wilkieson Esquire,
Superintendent of the Railway Police,
Bangalore.

Sir,

I beg to bring to your notice the loss of a small daftar containing the marginally noted[x] Government records and a bundle of bedding belonging to the daftardar of my office who was in charge of the records, in the mail train to Soosalu after it left the Arsikere Station on the night of the 11th instant.

Copies of the statements made by the daftardar before the Senior Assistant Commissioner and 1st Class Magistrate of Davangere on the 14th instant and before me on the 17th instant are enclosed for favor of perusal. They explain the circumstances under which the loss occurred and the steps taken till now.

The circumstances lead to the suspicion

(1) A sealed cover containing certain papers relating to the Malleswara Agricultural Bank Committee decided by the 1st class Magistrate of Davangere to be produced before the Court on the 14th instant.
(2) A D. O. letter to the Superintendent of Police Bangalore.
(3) A sealed parcel containing papers relating to the said Bank to be delivered to the Superintendent of Police.

supposition that one or more of the Konga Holiya fellow passengers took the bedding and left after which case, the offence of theft or criminal misappropriation had been committed after the train left the Ajjampur station and whilst it was within your jurisdiction. It is possible that the accused were frown away when found of no use and that the permanent way coolies might find out some traces of them.

If the matter has not already come to your notice through the local Railway authorities, I request that you will be so good as to take down the complaint of the Dresser (whom sent herewith) and institute the necessary enquiry and investigation.

I have etc

(Sd) B. Ramaswami Ayyanga
Inspector of Agricultural
Banks in Mysore

"Copy"

B. Ramaswami Ayyanga
Inspector of Agricultural Banks
in Mysore

In the Court of the Assistant Commissioner and 1st. Class Magistrate - Davangere

Criminal Case No. 14 of 1901 - 1902

Deposition of Lakshman Rao

Age - 50
Race - Mahratta
Religion - Hindu
Father's name - Keroji Rao
Resident of Bangalore
Occupation - Duffedar of Inspector of Agricultural Banks office -

Solemnly affirmed

I am the Duffedar of the office of the Inspector of Agricultural Banks at Bangalore. The Inspector gave me a sealed cover for being handed to the Court. I left Bangalore on the 11th instant by the mail train. I got a ticket for Birur though I wanted one for Harihar. The booking clerk said that he had no ticket for Harihar and that I should buy one at Birur for Harihar. I got down at Birur and went to the station to buy a ticket. As the bell rang, I came back and sat in the train. I got down again at Kamalapur. Peace also went to the station. The bell rung and the train

[illegible] and [illegible] to get into the compartment. I was called off by the guard. When he proceeded the guard that there were Government records in the train. He said, under any circumstances he would not allow me to get into the train. Then I told the Station Master that he should write for my things including the records. From Livane, there was a telegram to say that my articles had been removed from the train and detained at Livane. The next morning I got into train and arrived at Livane. There, I was given all my things except the records and my bedding including one woollen garment. The records were tied in my bedding.

At my request the Station Master wired to Batticaloa Kachcheri and Diarwadr. As no reply was received, I went & wire through the Station Master to the District Traffic Superintendent. No there was no reply, a wire was sent to Colombo. Still now I have not received the records or any reply to these telegrams.

Even at Batticaloa I made enquiries of the Station Master I have not got any clue about the missing records yet.

14-5-32.

Read and Recorded
Sd. M. Kempiah Hetty
Sd. Superintendent

True Copy
Sd. M. Kempiah Hetty

True Copy
[illegible]
Govt. Agent
Eastern Province

Further particulars Stated by Daffedar Lakshmanrao, before the Inspector of Agricultural Banks.

The Sealed Cover to the Senior Assistant Commissioner and First Class Magistrate of Daraguri a cover to the address of Mr Narasinga Bhan, Deputy Amildar of Harihar, and a parcel to the address of the Deputy Amildar Containing an open file of papers relating to the Malebennur Agricultural Bank, were tied in a Dafter cloth This Dafter was kept over my bedding and both were tied up with a twine This I kept by my side on the seat close to the wall of the carriage, while two other bundles containing utensils &c were kept on the floor or passage in the same compartment. From the Conversation that passed between them I gathered that one party of them was going to Poona and the other to Londa Two of them appeared to be drunk When I got down at Ajjampur to buy a ticket two of them were sleeping on the floor or passage while the others were sitting

The

The bundle of bedding and dafter of records was on the bench or seat when I got down at Ajjampur I had not opened it during the journey and none of the fellow passengers had seen the contents The Station Master of Sivani delivered to me only the bundles kept below my seat, not the bundle and dafter on the seat. The Railway Porter at Sivani explained that the fellow-passengers in the Compartment being asked to give up all their things belonging to me, handed over the two bundles or articles on the floor and paid there was nothing else. It was then 1 A.M Those who sat in front of me could not have failed to notice the bed bundle and dafter on the seat. My impression is that the Holeya passengers appropriated and concealed these when they found that I was prevented from travelling in the train. I described the bundles and record dafter left behind to the Station Masters at Ajjampur, and he said he had wired particulars to Sivani. The Station authorities at Sivani appear to have taken what the fellow passengers chose to give and not got into the carriage and looked for all the articles wired. No telegram was

Sent to Londa. I was told that the Traffic Superintendent would wire to all intermediate Stations. Three Railway Police men were present at Ajjampur and Sivani when I complained of my loss. No Police Officer took my Statement and I am not aware of the Police have till now taken any steps. On the night of the 11th when the train passed away I wanted to run after it to the next Station, but the Station Master said there were bridges, to attempt to cross which in the dark was very risky. I went to Sivani by the morning train (6 A.M.) and was there till the mail train came, 1 P.M. I went to Harihar on the 13th morning and was there till the evening of the 15th The deputy Amildar made enquiries and wired also to Poona. The Police questioned the passengers in the returning train, but were told the missing bundles were not seen by them in the returning train.

17.3.1902

Copy,
Mudaliar Agency -
Bellary

12

1902
~~189~~

From H. J. Wilkieson Esquire,
District Superintendent of Police;
- Civil and Military Station,
Bangalore.

To B. Ramaswami Aijangar Esquire,
Inspector of Agricultural Banks
in Mysore,
Bangalore

Dated 28-3-1902

Despatched 29-3-1902

Received

General No. 1141
No.

Enclosure No.

Sir,

In reply to your letter No 295 of 18th instant, I have the honour to state that your Daffedar reported to the Station Master and Assistant Station Master at Ajjampur that he left four packages in a compartment of the mail train of 11.3.1902. A search was accordingly sent to Shimoga and the four packages were recovered and handed over to the Daffedar, that he after the receipt of the four packages said that there was another one containing the deficiency and Government

Government records missing and a wire was also sent to Hubli and other places but in vain. The case of the loss of the said package has however been registered under Section 403 I.P.C. and will be disposed of on its merits in due course.

I have etc
(Sd) H. F. Wilkieson
District Superintendent Police

"Copy"

Ramachandra Ayenger
Inspector of Agricultural Banks
in Mysore.

Contd.

1901-02 ~~189~~ 13

From C. Rama Swami Aiyangar
Inspector of Agricultural Banks
in Mysore,

To H. J. Wilkinson Esquire,
District Superintendent of Police,
-le & Station Bangalore

Dated 29-3-1902

Despatched 29-3-1902

Received

General No. 307
No.

Enclosure No. 1

Sir,

I have the honor to acknowledge the receipt of your letter No 1141 dated the 28th instant, and to forward herewith, for favor. of consideration a copy of the explanation given by

by Daffedar Lakshman Row in regard to the identity of the number of packages reported to have been left in the carriage at Sirsi and the number of packages delivered to him at Sirsi.

Have &c.

(Sd) B. Ramaswamy Mudaliar
Inspector of Agricultural Banks
in Mysore.

Copy

B. Ramaswamy Mudaliar
Inspector of Agricultural Banks
in Mysore.

The purport of the letter received from the District Superintendent of Police, 6th Station Bangalore, No 1141 dated the 28th March 1902, having been explained to Daffedar Lakshman Row, he submits the following explanation:-

I specified my articles or packages to the Station Master at Ajjampur I mentioned (1) Bundle containing records (2) a gunny bag bundle, (3) a basket containing vegetables, and (4) a handkerchief. I do not know in what manner the Station Master sent the same to Swami. The Swami Station Master delivered to me the gunny bag bundle, the basket, the handkerchief and a pair of slippers. I had not mentioned the slippers to the Station Master at Ajjampur for they did not then occur to my mind. I did not get the bundle of records which I specified and which I desired to be weighed for, but I was given the slippers about which I made no mention. The handkerchief was on the bench to my left while the record bundle was to my right. I at once complained of the non-delivery of

of the Records-bundle, to the Sivasi Station Master and he sent messages to the Station Masters at Davangere, Harihar and Hubli at about 7.30 A.m. No news having been received till 10 A.m. I urged my grievances to the Station Master again whereupon he sent a message to the Traffic Superintendent at Hubli at my expense. The receipt given me shows that the message contained 17 words. No news having been received up to 2 P.M. I again urged my grievance to the Station Master, whereupon he said he would send a wire to Goona.

2.6.3.1902 Enrolled B.A.

"Copy

C. Ramachandra Ayyar
Inspector of Agriculture
Banks in Mysore

Draft-Superintendent

To

813

The Inspector of
Agl Banks in Bengal
Dacca

Ref. No R 4818 & 2514/02
25

His letter No 315 of 1st April 1902 submitting, for the information of Govt, copies of certain correspondence between Mr Wilkieson, Supdt of Railway Police & the Manager, Bank of Bengal about the loss of certain Govt records while in transit to Asansol in the Custody of the Postal & Police officials.

With reference to the above the Honble Member requests, on submission of a further report as regards the recovery or otherwise of the Govt records said to have been lost.

I that the Insp[r] of Agricultural Banks will be good enough to report in detail what papers have been lost & whether they have been since recovered.

Yours
24/11/02
for Secy

Gen. 30]

R 4373
1902
OFFICE

From B. Ramaswami Ayyangar,
Inspector of Agricultural Banks
in Mysore

To H. V. Nanjundayya Esquire, M.A., M.L.,
The Secretary to the Govt. of Mysore,
General and Revenue Depts.

Dated 2nd
Despatched 3rd May 1902
Received
General No. 350
No.
Enclosure No.

In reply to R. 4818 of 25th April 1902

SUBJECT.

Reporting about the nature of papers relating to the Malebennur Agricultural Bank which are lost, and stating that no information has yet been received as to the recovery.

References (to be entered only in the Dewan's Office).

Submitted with Secs for orders.
Dr. 2/6/02
VR 10/6/02

Subd to the 7th Inst.
I think some Notice should be taken of the carelessness of the Peon Rd 9/7/02
VR 9/7/02

Rd 7-7-02

I am not sure that the Bank's case was made out. Let us await the result of the Enquiry proceedings.

Please pass an order somewhat as follows:

"The loss of the Papers as reported is to be enquired into and the result of the Enquiry awaited."

Rd 11/7/02
10.77/02

Note for order
The Ramaswami applies for the Personal Pay and the whole Establishment and one out of any of the Inspectorates
10.77/02

Put up
Dr 9/5/02

Office of the Inspector of Agricultural Banks in Mysore.

Dated, Bangalore 2nd May 1902.

From

B. Ramaswami Aiyangar,
Inspector of Agricultural Banks in Mysore.

To

H. V. Nanjundayya Esquire, M. A., M. L.,
Secretary to the Government of Mysore,
General and Revenue Departments,
Bangalore.

His docket No. R. 4818 dated the 25th Ultimo, enquiring what papers relating to the Malebennur Agricultural Bank had been lost and whether they have been since recovered.

In reply begs to state:—

(1) that the Court of the Senior Assistant Commissioner and 1st class Magistrate of Davangere, having issued a summons to the Undersigned to cause the production before the Court on the 14th March 1902 of certain papers required to be exhibited by the accused persons in criminal case No. 14 of 1901-02, who were the late President and Agent of the Bank the papers called for were sent in a sealed cover in the custody of the Daffedar of this Office for production before the Court on the said date, and that the cover with papers therein had been lost.

(2) that the papers so sent and lost were so far as the

Undersigned

Undersigned and his Officials are able to recollect are:-

(1) a manuscript copy of the balance sheet of the Bank for the half year ending the 31st December 1898,

(2) a copy of the Proceedings of the General Assembly held on the 1st February 1899 and

(3) the Presidents or Agents yadi to this Office dated 22nd February 1899.

(3) that the Deputy Amildar who was interesting himself in stirring the other members of the Bank to take the necessary action for continuing the work of the Bank and had to assist the Head Quarter Inspector of the District who was conducting the prosecution under the orders of the Deputy Commissioner having, about the same time, written a D.O. to the Undersigned, stating that he was in need of papers and reports relating to the Bank, the open file relating to the Bank in this office was sent with a Ferist of the papers therein, duly packed, with the said Daffedar for delivery to the Deputy Amildar, and that this packet as well as the Undersigned's D.O. reply to the Deputy Amildar had also been lost

(4) that it is not possible now to mention from memory all the papers in the open file in detail, but they were as far as the Undersigned and his Officials are able to recollect of the nature specified in the margin*, and

(5) that the Undersigned has not heard from either the Railway or the Police Authorities about the recovery of the papers lost

V. Ramachandrayyar
Inspector of Agricultural Banks
in Mysore

Compd.

(1) Recommendation to Government with abstract of property of members.
(2) Order of Government sanctioning loan to the Bank.
(3) Instructions to the Bank about keeping registers and general performance of duties.
(4) Proceedings of the General Assemblies of the Bank.
(5) A report sent by Bank for the year 1898-99
(6) Inspection Report on Inspection of the Bank
(7) Correspondence on the subject of repayment of Government loan obtained by the Bank & send this Office and Returned the Amildar the Deputy Commissioner and this Office
(8) Yadis addressed by the Bank on various and other matters and replies to them
(9) Balance sheets
(10) D. Communications and with the Deputy Amildar about the Bank
(11) Copy of the Deputy Amildar's letter to the Deputy Commissioner.

Read. — 1 — 4/15

Correspondence
Sundries with letter
No 350 D/ 2nd Aug 1902
from the Deputy Agt: Bank
reporting about the
loss of ~~account~~ certain
pieces of Correspondence
with the Calabar Agency Bank which was
Entered in Custody of the Bailiff
of this Office for being
produced in a criminal
Case filed ~~against the~~
~~late Agent of the Bank~~
in the Court of this District
Agt. Inward of this 18th Aug
Registered & Damages
against the late Agent
& the President of the
Bank.

Order Accordingly.

The loss of the papers
is not regrettable, but
before final order is
made the result of the Trial

No R 411 of 21/7/02
21

in the Provincial Court
referred to above in
accordance.

18/7/02

To the Inspector of Local Banks.

4116

From

The Inspector of
Agricultural Banks
in Mysore.

To

THE SECY. TO THE GOVT. OF MYSORE,
GEN. & REV. DEPTS.

Dated 20/8/02

Despatched

Received

General No. 77
No.

Enclosure No. 2

Forwarding a copy of the Judgment of the Sessions Court, Shimoga Division, in the case against the late Agent and President of the Balalebennur Agricultural Banks.

References to be marked.

7£ - D'e
M
25/8/02
Subd with refce
Mem
27/8/02
H-D-R 28/8
25/8

Subd 27/8

Q. 1. 2. 1. 8. 0

No: 77

one enclosure: 2.

Office of the Inspector of Agricultural Banks in Mysore.

Dated Bangalore, 20th August 1902

From

B. Ramaswami Aiyangar,
Inspector of Agricultural Banks.

To

A. V. Nanjundayya Esqre., M.A., M.L.,
Secretary to the Government of Mysore,
General & Revenue departments.

Sir,

With reference to the Proceedings of Government, No. R 411 dated the 21st July 1902, I have the honor to forward herewith a copy of the judgment of the Sessions Court, Shimoga Division, in the case against the late Agent and President of the Malebennur Agricultural Bank.

2. It will be seen from para 39 of the judgment that in the absence of the original paper summoned by the accused, which was lost in the manner reported, the learned Judge has drawn an inference in favor of the contention of the

the accused, that the paper contained the signatures of the complaining witnesses. Seeing that other papers of the kind bearing their signatures, and relevant to the same purpose as the lost paper was intended to serve, had been exhibited in the Court, the inference was very probably correct, and neither side appears to have been prejudiced by the loss.

3. My impression of the procedure laid down in the Rules and Orders of the Chief Court was that the records, the production of which was to be caused by the officer summoned might be sent muddâm with a subordinate official, so that the latter might appear in Court when called, and produce them in the presence of the parties concerned. I therefore sent the papers with the daffedar in a sealed cover, and in intimating the same to the Magistrate gave him a copy of the seal for purpose of Comparison.

4. As regards the Daffedar who caused the loss, I beg to enclose for favor of Consideration, copies of two D.O. Communications received from the

the Deputy Amildar of Haliyal, and the Assistant Commissioner in Charge of the Davangere and other Talukas, and of my reply to the latter.

5. As regards the future working of the Bank, a report will be submitted after an early inspection by the Deputy Commissioner and myself.

I have the honor to be,
Sir,
Your most obedient servant,

P. Ramaswami Aiyangar

Inspector of Agricultural Banks.

In the Court of Sessions, Srikakulam Division

Dated Srikakulam the 28th Day of July 1902.

Present. M. Ramaswami Iyer Esquire B.A.B.L
Sessions Judge.

Chittaloor Sessions case No 10 of 1901-02.

Complainant.	Accused
Government.	1. Thammamma Joisa 2. Srinivasarao.

Offence:— Against the 1st accused
1stly Criminal breach of Trust under section 409 of the I. P. Code.
2ndly Fabricating false evidence under section 193 of the I. P. Code.
Against the 2nd accused
Abetment of the above offences under Sections 409, 193 & 109 of the I. P. Code.

Opinion of the assessors:—
1st assessor:- 1st accused not guilty
2nd " — — guilty.

Both the assessors:- 2nd accused not guilty.

Finding of the Judge:- Both not guilty.

Order:— Both the accused have been acquitted and released.

Judgment

The 1st accused Thammamma Joisa is the agent

agent and the 2nd accused Srinivasa Rao is the director of Agricultural Bank at Malebennoor. The Bank was established in May 1898. On the application of 15 persons in Male-Bennoor 14 of whom are now the members of the Bank Government advanced Rs 5000/- to these 14 persons as a loan on the security of their immoveable property (Government Proceedings No 0115-8 J.C. 598 dy 10th January 1898). The members had applied for a larger amount and in the hope of getting it they had executed bonds for larger sums but as the amount sanctioned was less by one half each member took only as much as was necessary for satisfying his urgent demands. It will be found from the list appended to the 1st accused written statement in the Magistrate's Court, that 8 members received Rs 100/- each less than the amounts of their bonds. But in this case we are concerned only with two of them. namely Hirullappala Nagappa and Sivanenahally Bacappa. The Memorandum and articles of Association (Ext 4) prescribed by the Government for Agricultural Banks provide that the loans should be repaid with interest at 5 1/2 per cent in (10) Equal annual instalments that the interest should be paid half yearly that is

is once in every 6 months and that these stipulations should be strictly enforced by the authorities concerned.

This Bank which was established a little before the commencement of the official year (1899-99) should have paid at the end of the official year (1900. 1901) Rs 1500/- on account of the instalments alone but it was found to have paid only Rs 600/- upto 3rd July 1901 the Inspector of Agricultural Banks wrote to the deputy comm^r to ascertain the cause and recover the balance. The deputy Amildar of Haveri to whom the above communication was referred for enquiry and report informed the dy: comm^r that in addition to the above amount Rs 440/- that is Rs 300/- on 3rd August & Rs 140/- on 3rd September 1901 had been paid by the Bank towards the balance of the instalments and that as there were grounds for believing that the management of the Bank was rather unsatisfactory he would submit a further report after inspecting the accounts. Accordingly on the 14th of November — when he happened to visit Malebennur on other business he checked the accounts and found that there was no cash balance as stated to him by the 1st acct: and that there were vouchers in

in support of (4) payments of Rs 100/- each entered in the cash account on 30th June 1899 (Exhibit G) Out of the said amount the 1st accused has debited Rs 100/- to himself Rs 100/- each to Nagappa & Basappa (the complainants in this case) and the remaining Rs 100/- to one Ranchennoor Hanoomappa who has since died and whose son Moodoolappa has therefore been examined now as a witness. The Deputy Amildar Examined Nagappa & Basappa and these denied having received the said amount (Rs 200). He was not also satisfied with the way in which the accounts had been kept & the business had been conducted and accordingly submitted a full report to the Dy: comm^r and ultimately lodged a formal complaint before the Assistant Commissioner and 1st Class Magistrate of Davangere charging the 1st accused with fal: Breach of trust and fabricating false evidence in respect of the said amount (Rs 200/-) and the 2nd accused with abetting him. The 1st accused's house was searched and the accounts & papers as well as the money found were seized and produced before the Magistrate who committed both the accused to the Sessions.

2. The accused pleaded not guilty to the charge.

The 1st accused Shamnial Josia stated that the accounts were not false that as entered in

in their Nagappa & Basappa were paid 100 Rs each on 30th June 1899 and that the charge was false and malicious.

The 2nd accused Srinivasachar stated that he was not present when the 400 Rs of which the above items formed a part was paid, but the above items formed a part was paid, but Nagappa & Basappa admitted the payment before him.

Both of the accused filed written State-ments in the Magistrate's Court. The 1st accused has also filed a Supplemental Statement in this court. I shall refer to these Statements when necessary.

3. The following witnesses were examined for the prosecution:-

1. Mr Narasinga Bhat. 2. Thimmappala Nagappa
3. Sivanenahally Basappa, 4. Immadappa,
5. Thikkeerappa, 6. Thimmappala Siddappa
7. Mallappa Gowda, 8. Syed Mohadeen, 9. Jamalsab
& 10 Srinivasachar.

4. The following Exhibits were filed for the prosecution:-

A. Memorandum and articles of Association of Agricultural Bank Co-

B. Hukum No 11 Dated 13th July 1901 from the Deputy Commissioners office, Chitaldroog District to the Dy. Amildar of Harihar-

B1. Hukum No 30 Dated 26th July 1901 from Do- to - Do -

B2 Hukum No 56 Dated 28th August 1901 from Do- to - Do -

B3.

B3. Hullum No 94 Dy 7th October 1901 from the Dy: Comm[r]s office Hiriyalroog District to the Dy: Amildar of Harihar -

B4. Hullum No 116 Dy 7th November 1901 from do - to do -

C. Cash Book

D. Hullam Book

E. Cheque Book

F. Credit Entries of Rs 500/- in the Cash book (Ext C) under date 30th June 1899 -

G. Debit Entries of Rs 4000/- in the cash book Ext: C under date 30th June 1899

H. Statement of Hiremallappala Nagappa before the Dy: Amildar of Harihar on 15th November 1901.

I. Statement of Basappa before do - on - do -

J. Bond Dy 12th May 1898 executed by Nagappa in favour of the agent of the Malebennur Agricultural Bank for Rs 600/-

K. Bond Dy 29th February 1896 Executed by Nagappa in favour of Syed Mohideen for Rs 400/-

L. Bond Dy 12th May 1898 executed by Basappa in favour of the agent of the Malebennur Agricultural Bank for Rs 450/-

M. Entry in the cash book (Ext C) of Rs 100/- payment made by Hiremallappala Nagappa under date 31st July 1901 -

N. Entry in do - for Rs 81-6-10 payment made by Sivanenahalli Basappa under date 30th June 1901 -

O. Entry in do - of Rs 15-2-0 by Hiremallappala Nagappa under date 30th June 1901 -

P. Counterfoil of cheque No 3 for Rs 400/— granted to Hiremkappala Nalappa.

Q. do — of cheque No 18 for Rs 100/- granted to- do —.

R. Receipt dated 2nd July 1901 granted to Nappa for having received Rs 112-6-0 by Thammanna Jois, Bank agent.

S. Counterfoil of cheque No 7 for Rs 150/- granted to- Sivanenahally Basappa.

T. do — of cheque No 8 for Rs 200/- granted to- do —

U. Receipt dated 2nd July 1901 granted to Basappa for having received Rs 67-6-9 by Thammanna Joisa.

V. Entry of Rs 9-10-0 in the cash book (Ex 6-6) against Sivanenahally Basappa under date 31st December 1898.

W. Entry of Rs 11-6-10 in — do — against — do — under date 31st December 1899.

X. do — do — under date 30th June 1900 —

Y. Receipt dated 2nd July 1901 granted to Huidakappa for having received Rs 67-6-9 by Thammanna Joisa.

Z 3 Proceedings of the meeting of the members of the Agricultural Bank held at Benmoor dated 1st July 1901.

A A do — do — 30th July 1901.

A B. Statement of the 1st accused before the committing Magistrate.

A C Written statement of the 1st accused filed before the committing Magistrate.

A D.

A.D. Statement of the 2nd accused before the committing Magistrate

A.E. Written Statement of the 2nd accused filed before the committing Magistrate.

5. The accused made the following Statements and filed the following written Statements before the committing Magistrate :-

By the 1st accused.

"I have heard the charge read and explained to me - I have not committed the offence - I have filed a written Statement in this matter - I have nothing more to say - I shall file a list of my witnesses - I have heard my Statement read over to me & it is correct" —

Written Statement.

(1) There are two factions in the Male Bemmer Village recently - All the prosecution witnesses have joined the faction of those who have long been the enemies of the accused and being influenced by them have brought this false case against the accused -

(2) It was under correspondence that the Male Bemmer Bank should be started with a capital of Rs 10000/- and in consequence documents were executed and registered by the 4 members of the bank as detailed in the annexed list, for Rs 58900/- on landed property security -

3. After the documents were executed and registered

registered Government sanctioned only Rs 5000/- as proposed by the Dy: commr.

(4) The said Rs 5000/- was paid to the members and 8 of the members got 100 Rs less than the amount for which they had executed bonds.

(5) Some time after this the 1st and the 2nd prosecution witnesses and Hanoomappa the father of the 3rd prosecution witness desired me to arrange for the payment of the balance due to them according to the bonds they had executed. The 1st accused also consented to the proposal.

(6) A meeting was held on the 1st May 1898 by the members of the bank to settle this affair. It was resolved in the meeting that such of the members as had received less than the amount for what they had executed bonds and wished to have the full amount paid to them may be paid from the instalments recovered from the other members. The proceedings of the meeting was submitted to the Inspector of Agricultural Banks and was returned without any objection

(7) Under the above circumstances I presumed that the higher authorities accepted the resolutions passed in the meeting and paid Rs 100/- (~~to the 3rd witness Rs 100/-~~) to the 3rd witness' father Hanumappa and Rs 100/- to myself and made Entries in the cashbook and paid the above sums from the instalment

amount collected and remitted the balance to the Davenagere Treasury. At that time as all the members of the Bank were on good terms I did not obtain receipts from them on of confidence.

(8.) Since the half yearly Cash balance State-ments are being submitted regularly and in those Statements the payment of the said Rs 400/- has been shown. The Directors and members of the Bank have signed half yearly Statements according to rules.

(9.) Five meetings have been held after the Establishment of the Bank. The members present have signed the proceedings.

(10.) Some time after the complaint Mr. Ramaswamy Iyengar, the Inspector of Banks inspected the records of the Bank in the presence of the members. None of the members then Complained to him as they do now that they did not receive money.

(11.) The 1st accused has granted receipts to the members whenever payments were made by them. They have withheld the other receipts but have only produced the receipts marked Exhs B+M without stating the real State of things.

(12.) On the date of the receipt at about 10 or 11 O'clock in

in the morning the 1st accused was inside his house after having bathed. At that time the Gunaratna came and told me that the 1st & 2nd witnesses had brought & given him the amounts mentioned in the receipts (at present he had written the receipts) and asked me to sign them. I relied on him and signed the receipts accordingly. After meal I came & looked into the Bank accounts, when I found that more than what was entered in the receipts were one by the said two persons. The amounts mentioned in the receipts of P1 & P2 had not been entered in the Cash Register. I sent for the 1st and 2nd witnesses & explained to them the circumstance. They went and brought and gave me the balance of the amounts I caused receipts to be granted for the said amounts. The amounts paid on two occasions on that day by the 1st & 2nd witnesses were entered in the cash book in the evening once for all as one Entry. The man who was working as Gunaratna then has now joined my opposite party.

(13) The Statement of the Deputy Auditor, 5th witness for prosecution, that the 1st accused admitted before him that he had a cash balance of Rs 260/- and that he produced

at the time of the search Rs 200/- as the amounts said by Timma Kappa & Basappa is false. The 1st accused was seriously ill at the time of his arrest. The Bank records were not in his possession. They were produced by others. The Rs 200/- mentioned above was 1st accused's own money. This he put in the execution of a decree. When the 1st accused was under arrest the Dy. Amildar having got the box from inside through his (1st accused's son took the Rs 200/- which was in it.)

(14) After the Dy: Amildar took charge of the Haritha one Dalook he demanded the accused persons to help him to a great extent with money and grain on account of plague & famine. They did not consent. At this juncture an influential man, who is an enemy of the accused persons said all sorts of things to the Deputy Amildar against the accused and helped him to bring this false case against them.

(15) As the rules & regulations of the Agricultural Bank were new to the accused persons there may have been defects owing to want of knowledge in the accounts & procedure, but they have not committed any criminal offence.

(16) Mr Ramaswami Iyengar, the Inspector of

of Agricultural Banks had come to
Madeberniar about the month of May 1901
for inspection. He said them that on
taking the Rs 400/- in the above mentioned
manner was against rules & that we should
have done so after obtaining sanction
from his office. All the members who were
then present said that they did so
without knowing & he said that that
amount should be refunded. We then
represented that we were not in a position
to pay up the amount immediately and
that we would do it if time was granted
to us. He asked us to submit a report
in the matter together with the proceedings
of the meeting held for the purpose. All the
members who have now come as witnesses
for the prosecution were present then.
We held a meeting on the 1st July 1901 and
submitted the proceedings on the 31st
idem, which after having been registered
there we received the printed copies.

(17) As personally ordered by the Inspector
the 1st accused has reported to the
Inspector of Agricultural Banks in his
report No 34 even before a meeting was
held, on the 23rd May 1901, in the matter
of the Rs 400/- in question. The records in
this connection were sent to the Dy.
Asst. Dir

Amildar stated the Deputy Commissioner after I had submitted my report and the Copy of the proceedings of the meeting. The rice and which has been alluded to in the Amuldar's Evidence and which he says he received from the Deputy Commissioner in connection with the above facts.

(18) 12 members have signed the proceedings of the 4th meeting. I had summoned for the original, but it has not been received. It has been stated in the records that it was lost on the way. I have appended herewith a printed Copy of the said proceedings for your perusal. My report to the Inspector of Banks, the correspondence which took place between the Inspector & the Deputy Commissioner and the Hookum to the Dy. Amildar by the Deputy Commissioner should also be sent for & perused. There is a "To" book in the records of the Bank. In it my report and the proceedings have been registered. If it is not in the Court it must be with the 4th Prosecution witness and it should also be sent for & perused.

(19). The case is of a civil nature. The probabilities of the case do not warrant a criminal prosecution

prosecution - For these reasons I pray that I may be released.

By the 2nd Accused

"I have heard the charge read and explained to me. I have not committed the offence. I have filed a written statement I have nothing else to state. I shall file a list of my witnesses. I have heard my statement now read over to me and it is correctly recorded."

Written statement

(1) I am innocent. This case has been brought against me thro' Zid.

(2) I was not present when the Rs 400/- in dispute was paid to the members But they admitted before me that they had received the amount.

(3) All the members who were present at the meeting have understood the subject well having discussed it well and have then signed the resolutions. The accounts have also been signed by them in the same way. In their depositions they have stated that they signed them without knowing what they were and it is false.

For the above reasons I may be ordered to be released

6. The accused made the following statements and the 1st accused filed the following written statement

Statement before this Court:—

1st accused.

"I admit having made the statement marked A.B. and filed the written statement marked Re before the committing magistrate I have now filed a statement before this Court I have nothing more to say. It is enough if the Inspector of our Banks is examined. I dispence with the others."

Written Statement

(1) The amounts were received from Nagappa & Basappa on the 2nd July 1901 and receipts granted to them on the same date. I have credited the amount in the cash book on the last day of the half year that is 30th June according to the practice from the commencement.

(2) Of the Rs 115-2-0 received from Nagappa I credited Rs 15-2-0 in the cash register on the same day. I credited the instalment amount by Rs 100/- in the cash Register on the 31st of July of the same year. About the time I received Rs 115-2-0 from Nagappa I did not receive the full amount in cash from Sivanenahally Basappa, the 3rd prosecution witness. He had given Mallikarjuna Havaltha for some amount and that amount had not been received from Mallikarjuna. Besides the amounts due by the other members

members for that instalment had not also been received - They came & told me to have the account settled at present and that they would pay their dues soon. I therefore credited the other members with the amount and remitted the same to the Treasury. After receiving the amount from them I credited Basappa with the amount on the 31st July and remitted it to the Treasury.

(3) Since the establishment of the Bank it was not the practice to make the entries in the cash book on the date on which the transactions took place. Entries were being made in the Cash book on the last day of the half year or whenever it was convenient. As all the members were unanimous and on friendly terms and as all were responsible to the Government for the money it was the practice with the consent & knowledge of all the members to accommodate one another and to adjust (recovered from defaulters. Accordingly the amount) the accounts after the amount was received from Nagappa on the 2nd July has been credited in the account on 31st July -

2nd accused

" I admit having made the statement marked

marked A D and having filed the written statement marked A E before the Committing Magistrate I have nothing to add I do not wish to call witnesses to examine in my defence."

7. The following witness was Examined for the defence:-

1 Wit: B. Ramaswamy Dy Engr.

8. The following Exhibits were filed for the defence:-

I. Cash account under date 31-12-1900 in the Cash Book (Ext b).

II Report of both the accused to the Sheristadar of Malebennoor Dated 16th September 1901.

III Jo. Register of the Malebennoor Agricultural Bank.

IV Proceedings book of — do —

V Copy of Proceedings of the meeting of the members of the Bank Dated 1st September 1898-

VI Cash balance statement of the Bank for the half year Ending 31st December 1899-

VII do — do — do —

VIII Cash balance Statement of the bank for the half year Ending 30th June 1901.

IX do — for the half year Ending 30th June 1900-

X do — for the half year Ending 31st Decr: 1900-

XI Proceedings No 1 & 1.5.98 of the general meeting of the members of the Malebennoor Agricultural Bank

XII do — No II & 1-2-99 of do —.

XIII A portion of the deposition of Sivanenahalli Basappa, 3rd witness for prosecution before the Comm: Magte as 2nd witness for Prosecution.

VIV

XIV A portion of the Deposition of Shiek Teerappa 5th witness for prosecution before the Commg: Magistrate as 6th witness for Prosecution-

XV do ——— do ——— do ———

XVI Proceedings of the meeting held on 3rd February 1902-

XVII do ——— do held on 13th February 1902-

XVIII do ——— do held on 1st March 1902.

XIX do ——— do held on 1st January 1900-

XX Application for a loan by Jamalsab, 9th witness for Prosecution

XXI Printed Copy of the Proceedings of the Madhavaram Bank of 1st July 1901 & 30th July 1901-

XXII Report No 36 of 1st August 1901 by Thammanna Josa 1st accused to the Inspector of Agricultural Banks-

XXIII Summons issued by the Inspector of Agricultural Banks dated 26th February 1902 in Criminal case No 14 of 1901-02 on the file of the Assistant Commissioner & 1st Class Magistrate of Davangere-

9. The first question therefore for decision is whether as alleged by them Nagappa & Basappa were not paid Rs 100/- each on 30th June 1899-

10. Nagappa executed the bond (Ex J) on 12th may 1898, for Rs 600/- and received Rs 500/- on two cheques (Exs P & Q) from the Davangere Taluk Treasury-

11. Basappa executed the bond (Ex L) on the the same day for Rs 450/- and received Rs 350/- on two cheques (Exs S & T) from the same Treasury.

12. Each of these therefore received Rs 100/- less than the amount of his bond.

13. The contention of the accused is that according to the resolutions (Exhs 11 & 12) passed by the directors & the members of the bank & communicated to the Inspector of Agricultural Banks (Ext 5) (4) members of whom, the complainants Nagappa & Basappa are two, who though in urgent need of funds were paid 100 Rs each on 30th June 1899 out of the instalments recovered from the other members on that date and that the balance of Rs 100/- alone was paid into the Treasury (Exh 7 & 7a)

14 These allegations are borne out by the proceedings of the Bank and the monthly account of June 1899 as also the half yearly accounts Exhibit folio 11 Submitted to the Inspector of Agricultural Banks. The cash account further shows that interest on this amount was recovered from the complainants with interest on the amounts of their original loan and remitted to the Treasury (Vide entries in Ext 6.).

15. Nagappa & Basappa however say, that they they did not receive this amount, that they paid no interest on it, that the 1st accused gave them no receipts for the interest on instalments paid by them except on the last occasion and rely chiefly on these receipts in support of their case -

16. These receipts are filed as (Exhibits R & R1) for

for the prosecution. Both of them purport to have been granted by the 1st accused on 2nd July 1901.

17. Nagappa's receipt is for Rs 100/- on account of two instalments & Rs 12-6-0 on account of interest.

18. Basappa's receipt is for Rs 60/- on account of instalments & Rs 7-6-9 on account of interest.

19. Both Nagappa & Basappa admit that on the 30th of June 1899, they paid their first instalment and that subsequently they paid no instalments but only interest until 30th June 1901, when they paid not only the half yearly interest but also instalments of the two previous years.

20. There is a difference in dates as well as the amounts between these receipts and the cash book.

21. The receipts are dated 2nd July 1901 while the entries in the cash book have been made on 30th June 1901.

22. The 1st accused states that the interest paid by Nagappa & Basappa was ~~Rs~~ 15-2-0 & not 11-6-10 as on previous occasions (Exhs N & O) & not ~~Rs~~ 12-6-0 and Rs 7-6-9 as entered in Exhibits (Q) & (R), that the wrong amount was entered by the Bank Gumasta & the receipts were presented to him for signature when he was engaged in his ablutions and that relying upon

upon the former he signed them, that in the afternoon when he discovered the mistake he sent for both, recovered the deficiency & gave them seperate receipts & that these as well as the receipts for previous payments have been withheld not from malicious and vindictive motives -

23. It is difficult to believe the statement of Nagappa & Basappa that though no receipts had been granted to them previously and though they did not ask for any, even on the last occasion the 1st accused of his own accord, gave them these receipts. I think the probability is more in favor of the 1st accused's assertion than of Nagappa & Co. Basappa's denial - Basappa's case is that out of the 3 sets he was paid in the treasury the 1st accused took Rs (50-0-0) promising to return it to him later on, but he did not do so, though he pressed several times and that therefore he paid through out only Rs 30/- on account of his instalments & Rs 7-6-9 & interest on account of interest - This statement is however contradicted by the entries in the cash book which contains the following payments -

Rs 1-12-1 on 28th June 1898 -
Rs 9-10-0 on 31st December 1898 -
Rs 9-10-0 & Rs 35/- on account of the 1st years instalment on 30th June 1899 -
& Rs 11-6-10 on account of interest on Rs 415/- Every year until 30th June 1901

24. The chalan Book (Ex P 9) shows that the amount of interest accrued every half year from the members was paid into the Treasury by the 1st accused after deducting 1½ per cent on account of the expenses of the management.

25. The amount paid by Basappa on account of the two instalments according to Ex P 11 is Rs 70/- but according to the cash book it is Rs 70/- (Ex P 12). These observations apply with equal force to Nagappa's case also.

26. It is too much to presume that the 1st and the 2nd accused who are equally responsible for the money & accounts of the Bank, entertained the idea of defrauding these individuals from the beginning and without paying them the 200 Rs as alleged, entered larger amounts as having been paid by them on account of interest which they had really paid less. I am therefore of opinion that the amount of interest mentioned in both the receipts as also the amount of the instalments mentioned in Basappa's receipt, are incorrect.

27. Out of the witnesses examined for the prosecution, the 1st & last are officials. The 1st is the Dy. Amildar of Haveri & the last is the Sheristhar of Malebennur. He was

examined

Examined in order to prove that the 1st accused had admitted before the Dy. Amildar that the cash balance was on 14th November 1901 was Rs 260-0 and that he would produce it with the accounts -

28. The 2nd and 3rd witnesses are the Complainants Nagappa Basappa -

29. The 4th witness is Moodlakappa the son of Ranebennur Hanoomappa who is dead & on whose account the witness paid Rs 67-0-9 These figures are also wrong according to the cash book, for the amount of interest received until 30th June 1899, from Hanoomappa was only Rs 200-0 which was actually paid to him though the bond was executed for Rs 300-0 & the amount of interest subsequently received was Rs 7-11-2 & not Rs 7-6-9. The amount received on account of instalments was Rs 20-0 & not Rs 30-0.

30. The receipts granted to Moodlakappa and Basappa purport to have been granted on the same day for the same amounts while the amounts credited in the account are different.

31. There should have therefore been a mistake in regard to both of them. It is most unlikely that the 1st accused would have entered a larger amount in the accounts having granted a receipt

receipt for smaller amounts to Basappa.

32. Mookoolappa has no knowledge of the amount borrowed or paid by his father & says that he paid as much as the 1st accused wanted him to pay - His evidence as to whether he was present when the receipt was written & by whom is conflicting, although he asserts with confidence that it was written by the 1st accused which does not appear to be the case.

33. The remaining witnesses for the prosecution are (5) out of the (6) directors of the Bank - They have been examined for the purpose of proving that the amounts in question were not paid with their knowledge and approval, that no meetings were held and no resolutions were passed as alleged by the accused and that the accused but more especially the 1st accused did as they liked, and obtained signatures to the papers and accounts as it suited their purpose.

34. It is true that the accounts of the Bank have not been kept and the business of the Bank has not been conducted in a proper manner. Meetings have not been held once in every (6) months according to the memorandum and articles of association, the prescribed books and registers have not been maintained and the accounts of the Bank have not been periodically checked and certified by Competent auditors.

35.

35. The 1st meeting was held on 1st day 1898. The proceedings (Ext 11) show that all the members were present, but only (9) including the two accused have signed them. One of these is the complainant Nagappa. The copy of the proceedings sent to the Inspector contains (10) signatures. In this meeting it was resolved that the members to whom the full amount of their loans had not been paid should be paid out of the amount received subsequently from the other members.

36. The 2nd meeting was held on 1st February 1899. The number of members present was (12) including the two accused and the complainants Nagappa Basappa and all of them have signed the proceedings.

37. The 3rd meeting was held on 1st January 1900. The number of members present was (12) but only (6) have signed the proceedings.

38. The 4th meeting (see Ext Z) was held on 1st July 1901, and was confirmed on the 30th idem. This meeting has been designated as the general assembly meeting. The number of members present is shown as (12) but the proceedings have been signed only by the two accused. The last resolution relates to the 400 Rs subsequently advanced & states that the members have been granted time till the 30th December 1901, to pay the same. A copy of these proceedings was sent

sent to the office of the Inspector & submitted to the Registrar of Assurance in the course who recorded the resolution as provided by section 79 of the Company's Regulation III of 1895. Mr. Ramaswami Iyengar was summoned to produce the original of these proceedings and he sent it along with other papers by his office Assistant in a sealed cover. It was however missed by the latter near Ajjampur and was not found in spite of search.

39. The contention of the 1st accused is that the original contained the signatures of all the members and that such of them as have been examined now and say that they were not present were also present. The printed copy simply states that the proceedings has been signed by the 12 members who were present at the meeting. Their names are not however given. It is therefore difficult to say whether the said members were really present and signed the proceedings but I am disposed to think so.

Statement for the half year Ending 30th June 1898
Do — 30th December 98
Do — 30th June 1899
Do — 31st December 99
Do — 30th June 1900
Do — 31st December 1900
Do — 30th June 1901

40. Out of the (7) half yearly cash balance statements as noted in the margin submitted by the Bank only (4) (Exts 61 to 67) of which 64 are for the same half year) have been exhibited for the defence.

41. Of these the 1st is the statement for the half year Ending 31st December 1899 and contains (8) signatures of whom (4) are directors.

directors and the others members including the two accused.

42. The 2nd statement is for the half year Ending 30th June 1900, and Contains the Signatures of 12 of whom (5) are directors & the others members

43. The 3rd statement is for the half year Ending 31st December 1900 & Contains (5) Signatures of whom one is a director and the others are members.

44. The 4th & last statement is for the half year Ending 30th June 1901 & Contains 10 Signatures of whom (3) are directors and the others are members.

45. The afore said witnesses for the prosecution admit their Signatures but state that they put them upon the statement of the 2nd accused. The complainants Nagappa & Basappa have also Signed some of the above statements (See Qs to 8, 9 & 10). I cannot therefore conceive how these or see the directors and the other members Signed them without Enquiry.

46. It is extremely difficult to believe that so many persons who were interested in the Bank would have put their Signatures to the proceedings and cash balance statements without understanding them simply upon trust.

47. I am not for these reasons inclined to believe that the amounts in question were not paid to the complainants or that the entries in the accounts are false and fictitious.

48. The Bank has not prospered under the management of the accused - It has no deposits & has no reserve funds - The amount saved from interest has been expended ostensibly for purposes connected with the Bank and no transactions of importance have been carried on with the bank by anybody except the members of whom very few appear to have understood the laudable object of the Government in establishing the bank - Male Bennor is a pretty large village containing influential and capable men and it is in my opinion, necessary to enlist their sympathy and co-operation and to work the Bank in a more methodical businesslike fashion -

49. The Public Prosecutor candidly admitted that there was no evidence against the 2nd accused - With regard to the 1st accused I agree with the 1st assessor and differ from the 2nd Assessor -

Finding and Order

50. The Court concurring with the 1st assessor and differing from the 2nd assessor finds that the 1st accused Dharmaratna Jotisa is not guilty of criminal breach of trust and fabricating false evidence under sections 409 & 193 as specified in the charge

and

directs that the said Shanmiah Joisa be released -

The Court Concurring with both the assessors finds that the 2nd accused Srinivasachar is not guilty of abetting the 1st accused Shanmiah Joisa as specified in the charge and directs that the said Srinivasachar be also released -

28-7-02
Shimoga

Sd- M. Ramaswami Iyer
Sessions Judge
Shimoga division

The papers called for from the Davanagere Assistant Commissioner after the case was closed & argued will be returned to him -

28-7-1902. Sd- M. Ramaswami Iyer
Sessions Judge
Shimoga division

"Copy"

M. Ramaswami Iyer
Sessions Judge
Shimoga division

Jmd

No: of words 6610

Amount of fees 6-4-6

Comparing fees 1-6-4

Total 7-10-10

Received payment

Madeva Rao & Co[illegible]

1. Copy of D. O. Communication dated, Haribar, 14th March 1902, from the Deputy Amildar, Hanbar to the Inspector of Agricultural Banks.

Sir,

I am very sorry to inform you that Daffedar Lakshman Rao lost the Government records sent with him. From the Statement given I see that there was no fault of his and he took all possible precaution in the matter. I also tried to get information from Dharwar to the effect if the papers were found any where, but nobody has replied in the affirmative. . . . . —

× × × ×